



RIGHT TUNNELLING

Annual Registration Statement  
Annual Report 2021 (Form 56-1 One Report)

Right Tunnelling Public Company Limited



**ONLY  
THE BEST  
WE DO**

Keeping ahead in civil engineering and geotechnical construction  
with customer's satisfaction always

# Vision, Missions and Goals

## VISION

Keeping ahead in engineering and geotechnical construction  
with customer's satisfaction always

## MISSIONS

1. To carry out construction business with quality and sustainable growth
2. To perpetuate organizational administration and development on safety and ethics among employees with the concept of good governance towards sustainable growth
3. To attach importance to potential development of human resources work in line with organizational growth
4. To provide appropriate and fair benefits to shareholders and stakeholders
5. To be responsible to community, society and environment

## SLOGAN

"Only the best we do"

## QUALITY POLICY

Delivering the highest quality and timely construction for long-lasting customer satisfaction



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## Financial Highlights

(Unit: Million Baht)

|                            | 2019     | 2020     | 2021     |
|----------------------------|----------|----------|----------|
| Total Assets               | 3,730.54 | 4,050.02 | 3,915.16 |
| Total Liabilities          | 3,143.20 | 2,661.36 | 2,578.59 |
| Total Shareholder's Equity | 587.34   | 1,388.66 | 1,336.56 |
| Total Revenues             | 2,363.13 | 2,860.80 | 2,491.99 |
| Profit (loss) for the year | 130.66   | 238.12   | 41.54    |

### Total Assets



**3,915.16** Million Baht

■ Y2020 : 4,050.02  
■ Y2019 : 3,730.54

### Total Liabilities



**2,578.59** Million Baht

■ Y2020 : 2,661.36  
■ Y2019 : 3,143.20

### Total Shareholder's Equity



**1,336.56** Million Baht

■ Y2020 : 1,388.66  
■ Y2019 : 587.34

### Total Revenues



**2,491.99** Million Baht

■ Y2020 : 2,860.80  
■ Y2019 : 2,363.13

### Profit (loss) for the Year



**41.54** Million Baht

■ Y2020 : 238.12  
■ Y2019 : 130.66

|                             | 2019  | 2020  | 2021  |
|-----------------------------|-------|-------|-------|
| Gross Profit Margin (%)     | 17.75 | 20.85 | 12.80 |
| Operating Profit Margin (%) | 9.75  | 12.76 | 3.95  |
| Net Profit Margin (%)       | 5.53  | 8.32  | 1.67  |
| Return on Assets (%)        | 3.88  | 6.12  | 1.04  |

### Gross Profit Margin



**12.80** %

■ Y2020 : 20.85  
■ Y2019 : 17.75

### Net Profit Margin



**1.67** %

■ Y2020 : 8.32  
■ Y2019 : 5.53

### Return on Assets



**1.04** %

■ Y2020 : 6.12  
■ Y2019 : 3.88

### Operating Profit Margin



**3.95** %

■ Y2020 : 12.76  
■ Y2019 : 9.75

## Message from the Chairman



2021 was particularly a challenging year for businesses to operate under the COVID-19 pandemic and strict official regulations. Several companies have to change or adapt to their alternate corporate strategies allowing them to survive and maintain profits.

The spread of the virus, in fact, has impacted widely on all sectors, Construction is also one of sector that affected greatly in both business continuity and profitability from the Temporary Closure of Construction Workers Camps' Measure and the fluctuation of commodity prices as a result of the global spread of this infectious disease which has led to rising in operational cost. Resulted by such consequences, the board and management are not idle, but we drive and enforce a number of rigorous measures to be able to continue our operation under this alarming circumstances. In addition, we carefully oversee the occupational health and safety of all employees. Thanks to kind cooperation of everyone in all project sites, we survived from the severe crisis.

The Company will determine to carry out our work under the slogan, "Only the best we do". The board, executives and all employees in this organization are committed to work with expertise to achieve the best quality, in line with corporate governance and aspired to transparency in business for substantial and sustainable growth. Moreover, the Company had taken part in Corporate Governance Report of Thai Listed Companies 2021, organized by Thai Institute of Directors (IOD) and earned CG Score of "4 stars" (Very Good). This demonstrates that the business is well-incorporated with good corporate governance, aiming to develop quality of work in all aspects along with sustainable growth.

On behalf of the board, executives and all employees, I would like to thank all stakeholders for their trust and support for all this year. The Company strive to utilize skills and expertise in engineering to the fullest extent, building the quality performance in concern with society, environment and all stakeholders in the value chain as part of the country's infrastructure development.

**Dr. Songpope Polachan**  
Chairman of the Board of Directors



## Message from the Chief Executive Officer



Amid the turbulence, Executive Committee of Right Tunnelling Public Company Limited has learned from all the impacts the Company ever struggled during the spread of COVID-19 to improve work quality to be more effective.

The management are monitoring the business operation thoroughly. For example, to ensure that the construction work can still operate during the crisis and still in compliance with occupational health, safety, and environmental standards as well as government's policies; to integrate technology into Enterprise Resources Planning system (ERP) as to promote the agility and economy of the Company; to incorporate risk management into organization's working process. In addition to that, the management constantly keep up with both domestic and international news to manage to respond to the emerging risks.

The Company emphasizes the integration of technology into construction methods particularly mechanical innovation for tunnel construction. Originally, diesel drilling engines were used as main machinery emitting polluted smoke in workplace and environment. Therefore, the Company has invested in electrical motors to drive hydraulic system to reduce smoke in the tunnel and boost an effective work process - at the same time, environmentally friendly. Also, it can reduce the cost of oil in the fluctuation of oil price situation where the world and Thai market are still tensed.

The Company could not come through this harsh year without cooperation of all employee who devoted themselves and their abilities in their work.

Finally, I would like to thank all stakeholders who support RT throughout 2021 and sincerely hope that the Company would still earn trust from everyone.

**Mr. Chawalit Tanomtin**  
Chief Executive Officer



## Board of Directors



1. **Dr. Songpope Polachan**  
Chairman of the Board  
Independent Director
2. **Dr. Boonthep Nanegrungsunk**  
Chairman of Audit Committee  
Independent Director
3. **Mr. Thanapat Pupat**  
Independent Director

4. **Mr. Chaiwut Jumnongsutasathien**  
Independent Director
5. **Mr. Jumpot Kanjanapanyakorn**  
Independent Director
6. **Mr. Suraphong Iamchula**  
Director



- 7. Dr. Krayim Santrakul**  
Director
- 8. Mr. Natthapong Poome**  
Director
- 9. Mr. Chawalit Tanomtin**  
Deputy Chairman of the Board  
Chief Executive Officer  
Director

- 10. Mr. Surasak Seekhiew**  
Director  
Managing Director
- 11. Mr. Teerayut Chusilp**  
Director
- 12. Mr. Chaiya Wonglappanich**  
Director

## Audit Committee



**1. Dr. Boonthep Nanegrungsunk**  
Chairman of Audit Committee



**2. Mr. Thanapat Pupat**  
Auditing Director



**3. Mr. Chaiwut Jumnongsutasathien**  
Auditing Director

## Nomination and Remuneration Committee



1. **Mr. Jumpot Kanjanapanyakom**  
Chairman of Nomination and Remuneration Committee
2. **Mr. Thanapat Pupat**  
Nomination and Remuneration Director

3. **Mr. Chawalit Tanomtin**  
Nomination and Remuneration Director
4. **Mr. Teerayut Chusilp**  
Nomination and Remuneration Director

## Corporate Governance and Risk Management Committee



- 1. Mr. Surapong Iamchula**  
Chairman of Corporate Governance and Risk Management Committee
- 2. Mr. Chawalit Tanomtin**  
Corporate Governance and Risk Management Director

- 3. Mr. Surasak Seekhiew**  
Corporate Governance and Risk Management Director
- 4. Mr. Chaiya Wonglappanich**  
Corporate Governance and Risk Management Director

## Executive Committee



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1. **Mr. Chawalit Tanomtin**  
Chairman of Executive Committee
2. **Mr. Surasak Seekhiew**  
Executive Director
3. **Mr. Chaiya Wonglappanich**  
Executive Director

4. **Mr. Teerayut Chusilp**  
Executive Director
5. **Mr. Wiwat Nualnok**  
Executive Director
6. **Mr. Koson Kongdang**  
Executive Director

## Management Team



**1. Mr. Chawalit Tanomtin**  
Chief Executive Officer

**2. Mr. Surasak Seekhiew**  
Managing Director

**3. Mr. Chaiya Wonglappanich**  
Deputy Managing Director for Finance  
and Management

**4. Mr. Teerayut Chusilp**  
Deputy Managing Director for Organization  
and Legal



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- 5 Mr. Koson Kongdang**  
Deputy Managing Director for Operation 1
- 6 Mr. Nawin Pongkaew**  
Deputy Managing Director for Operation 2
- 7 Mr. Wiwat Nualnok**  
Deputy Managing Director for Engineering

- 8 Mrs. Mechaya Kaewduangdee**  
Deputy Managing Director for Business Development
- 9 Mr. Panat Kungsuwan**  
Assistant to Managing Director for Engineering
- 10 Mr. Charlie Pungpanichkul**  
Assistant to Managing Director for Operation

## **Business Operations and Operating Results**



# 1. Company Structure

## 1.1 Business Policy and Overview

Right Tunnelling Public Company Limited (“the Company” or “RT”) was established on October 6, 2000 by Mr. Chawalit Tanomtin) and fellow geologists and engineers. At the inception, the Company engaged in geotechnical works focusing on tunnel construction and rock excavation. RT has expanded its business and clientele such clients are local government agencies and state enterprises such as Royal Irrigation Department (RID), State Railway of Thailand (SRT), Department of Highways (DOH), Electricity Generating Authority of Thailand (EGAT), Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA), Department of Alternative Energy Development and Efficiency (De De), and also those in the private sector. The Company works include tunnel and underground structure construction, dam construction, hydro power plant construction, pipe jacking and horizontal directional drilling, and other types of construction works, such as slope stabilization and slope failure prevention, soil and rock excavation geological exploratory drilling, drilling and grouting with cement or chemical materials, mining development, rail tracks installation, road, bridge and drainage.

### 1.1.1 Operational Goals

The Company has specified missions, vision, goals, and business plan as follows:

#### Missions:

- To carry out construction business with quality and sustainable growth
- To perpetuate organizational administration and development on safety and ethics among employees with the concept of good governance towards sustainable growth
- To attach importance to potential development of human resources work in line with organizational growth
- To provide appropriate and fair benefits to shareholders and stakeholders
- To be responsible to community, society and environment

#### Vision:

Keeping ahead in engineering and geotechnical construction with customer's satisfaction always

#### Goals, 2020-2022

- To be the main contractor in basic infrastructure developer in Thailand
- To invest in hydro power plant business

#### Slogan

“Only the best we do”

#### Quality Policy

Delivering the highest quality and timely construction for long-lasting customer satisfaction

### 1.1.2 Significant Changes and Development

| Year | Significant Situations   |
|------|--|
| 2000 | On October 6, 2000, the Company was established by Mr. Chawalit Tanomtin and fellow geologists and engineers with the initial authorized capital of 5 Million Baht, including a total of 50,000 ordinary shares, at the par value of 100 Baht. At the inception, the Company engaged in geotechnical works focusing on Tunnel Construction and Rock Excavation. The Company first project was the Khundan Prakanchon RCC Dam project in Nakornnayok Province of Thailand, the main scope of works was tunnel excavation in hard rock, with a dimension of 3.5 meters and total length of 1,910 meters.   |
| 2005 | On December 29, 2005, the Company increased the authorized capital from 5 Million Baht to 20 Million Baht, to accommodate the business expansion and working capital.  |
| 2008 | On November 24, 2008, the Company increased the authorized capital from 20 Million Baht to 40 Million Baht.  |
| 2009 | On September 28, 2009, the Company increased the authorized capital from 40 Million Baht to 60 Million Baht.   |
| 2010 | On November 15, 2010, the Company increased the authorized capital from 60 Million Baht to 100 Million Baht.   |
| 2011 | On December 28, 2011, the Company increased the authorized capital from 100 Million Baht to 200 Million Baht.  |
| 2013 | On August 23, 2013, the Company received a Quality Compliance Certification (ISO 9001: 2008) from Bureau Veritas Thailand Ltd. It's the standard about the quality system and the management in every area of the business.  |
| 2014 | Received the Housekeeping and Best Contractor Award For the year 2014 from CH. Karnchang (LAO) CO., LTD. On January 22, 2014, The Company entered into a joint venture with Vichitbhan Group Construction Co., Ltd. (Right Tunnelling - Vichitbhan Group Construction Co., Ltd.) for Construction Project of Mae Saluom Dam Project. On November 27, 2014, The Company entered into a Right Tunnelling- Saha Burana Technology Joint Venture for Construction Project of Pipe Jacking Work in Rattanakosin 200 Years Project, Bang Bor, Bang Bor, Samut Prakan.  |
| 2015 | On November 13, 2015, the Company entered into a Right Tunnelling- Saha Burana Technology Joint Venture for Construction Project of Pipe Jacking Work for Drainage System in Srinakarin-Romklao Road Phase 6 Project, Samut Prakan.  |
| 2016 | On August 17, 2016, the Company increased its authorized capital from 200 Million Baht to 400 Million Baht, to enhance its competitiveness, working capital, expanding the business, purchasing machine, tools, software, and projects investment. On June 2, 2016, the Company established Right Tunnelling Myanmar Company Limited, for serving the Construction Services, Office Building Design, Engineering, Architecting, Advertising, Petroleum Mining Construction Engineering Consulting, Water from the Artesian Well Consulting, Environment Consulting, Industry Consulting, Administration Consulting, Marketing Consulting, and Procurement Consulting. On August 26, 2016, the Company received a Quality Compliance Certification (ISO 9001: 2015 2008) from Bureau Veritas Thailand Ltd. It's the standard about the quality system and the management in every area of the business. It's a modified version from ISO 9001:2008 that we've received in 2013. On September 27, 2016, established a Rudee Prayong - Right Tunnelling Consortium. |
| 2017 | On August 1, 2017, established a Mvm Rail (Thailand) - Sakdaporn - Right Tunnelling Consortium. On August 11, 2017, established an ITD - RT Joint Venture, for bidding the Track Doubling for The East Coast Line Project. (Map Kabao Section - Thanon Chira Junction Contract 3: Railway Tunnel) Project. On August 29, 2017, established a Right Tunnelling - Sia Construction & Management Joint Venture.   |
| 2019 | On February 20, 2019, established a Right Tunnelling - Bangkok Civil Line Joint Venture.   |
| 2020 | On June 11, 2020, the Company converted into a public company limited and changes the name to Right Tunnelling Public Company Limited. Also, registration to increase capital with the Ministry of Commerce, so the Company has the registered capital of 550.00 Million Baht and paid-up capital of 400.00 Million Baht.  |
| 2021 | On May 29, 2021, established VCRT Joint Venture.   |

### 1.1.3 Use of proceeds

Right Tunnelling Public Company Limited has offered the Initial Public Offering (IPO) of newly issued ordinary shares (IPO) totaling 300,000,000 shares par value at 0.50 Baht and IPO price at 1.92 Baht. After deduction of the expense incurred from this offering, the remaining proceeds are at the amount of 551.38 Million Baht.

The Company would like to report the use of the proceeds received from the offering of the newly issued ordinary shares as of December 31, 2021 as follows:

(Unit : Million Baht)

| Objectives   | IPO Proceeds from fund raising | Accumulated Utilization of proceeds as of December 31, 2021 | Outstanding balance as of December 31, 2020 |
|--|--------------------------------|---|---|
| To be used to finance computer systems, equipment, and software      | 10.00                          | 9.11  | -   |
| To be used as funds for machinery, vehicles, tools, and equipment    | 54.00                          | 44.26   | -   |
| To be used to finance the construction of new workshop and warehouse | 10.00                          | 0.08  | 9.92  |
| To be used as working capital in business operation                  | 477.38                         | 182.25  | -   |
| <b>Total</b>   | <b>551.38</b>                  | <b>235.70</b>   | <b>9.92</b>                                 |

Right Tunnelling Public Company Limited has offered the Initial Public Offering (IPO) of newly issued ordinary shares (IPO) totaling 300,000,000 shares par value at 0.50 Baht and IPO price at 1.92 Baht. The amount after deduction of the expense incurred from this offering will be about 551.38 Million Baht. The use of proceeds are as follows:

| Use of Proceeds   | Amount              | Expected to be used in | Details  |
|---|---------------------|------------------------|--|
| To be used to finance computer systems, equipment, and software   | 10.00 Million Baht  | 2020 - 2022            | Assets used in Company's core business                     |
| To invest in machinery, vehicles and equipment                    | 54.00 Million Baht  | 2020 - 2022            |  |
| To use as capitals on the new workshop and warehouse construction | 10.00 Million Baht  | 2020 - 2022*           | Construction at RT's headquarter to support core business. |
| To be used as working capital in business operation               | 477.38 Million Baht | 2021                   |  |

*Remark: Board of Directors' Meeting 8/2021 on December 21, 2021 has approved the alteration of such period as disclosed in the Registration Statement From 2021 to 2022.*

Moreover, if the funds raised from the IPO are insufficient for the aforementioned objectives. The Company will seek additional funding from financial institutions.

### 1.1.4 Company Highlight

|                                 |   |   |
|---------------------------------|---|---|
| Company Name                    | : | Right Tunnelling Public Company Limited   |
| Company Registration No.        | : | 0107563000142   |
| Type of Business                | : | Providing civil engineering and geotechnical works that require expertise and high technology such as Underground and open excavation general civil works, geotechnical works, mining development, geological exploration and ore reserve evaluation. |
| Address (Head Office)           | : | No. 292 Moo 4, Bangna - Trad (KM 26) Rd., Bang Bor, Bang Bor, Samut Prakarn 10560   |
| Telephone                       | : | 02-313-4848   |
| Fax                             | : | 02-313-4849, 4787   |
| Website                         | : | <a href="http://rtco.co.th/">http://rtco.co.th/</a>   |
| Authorized Capital              | : | 550,000,000 Baht (Five hundred and fifty Million Baht)  |
| Paid-Up Capital<br>(Before IPO) | : | 400,000,000 Baht (Four hundred Million Baht)  |
| Paid-Up Capital<br>(After IPO)  | : | 550,000,000 Baht (Five hundred and fifty Million Baht)  |
| Par Value                       | : | 0.50 Baht (Fifty satang)  |

## 1.2 Nature of Business Operations

### 1.2.1 Revenue Structure:

#### Revenue structure by scope of work

| Revenue Structure   | 2019            |                | 2020            |                | 2021            |                |
|---|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|   | Million Baht    | Percentage     | Million Baht    | Percentage     | Million Baht    | Percentage     |
| Tunnel and Shaft Construction                             | 1,401.45        | 60.80%         | 1,668.43        | 59.09%         | 1,268.20        | 51.42%         |
| Dam Construction and Irrigation System                    | 49.00           | 2.13%          | 239.73          | 8.49%          | 501.04          | 20.31%         |
| Hydro Power Plant Construction                            | 81.42           | 3.53%          | 21.45           | 0.76%          | 5.05            | 0.20%          |
| Pipe Jacking (PJ) & Horizontal Directional Drilling (HDD) | 264.73          | 11.49%         | 329.02          | 11.65%         | 378.00          | 15.33%         |
| Others Works  | 508.31          | 22.05%         | 564.71          | 20.00%         | 314.06          | 12.73%         |
| <b>Revenue from construction services</b>                 | <b>2,304.92</b> | <b>100.00%</b> | <b>2,823.34</b> | <b>100.00%</b> | <b>2,466.34</b> | <b>100.00%</b> |
| Sales of construction materials <sup>/1</sup>             | 31.77           | 1.34%          | 20.72           | 0.72%          | 6.67            | 0.27%          |
| Other incomes <sup>/2</sup>                               | 29.57           | 1.25%          | 19.97           | 0.70%          | 21.02           | 0.84%          |
| <b>Total revenues</b>                                     | <b>2,366.26</b> | <b>100.00%</b> | <b>2,864.03</b> | <b>100.00%</b> | <b>2,494.04</b> | <b>100.00%</b> |

Remarks:

<sup>/1</sup> Sales of construction materials are sales of construction materials to contractors of projects that RT operates. These are general construction materials such as oil, steel, and concrete. Pricing policy is cost-plus pricing.

<sup>/2</sup> Other Incomes are such as other service incomes, rental income and interest incomes.

#### Revenue structure by types of operation

| Revenue Structure                             | 2019            |                | 2020            |                | 2021            |                |
|---|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|   | Million Baht    | Percentage     | Million Baht    | Percentage     | Million Baht    | Percentage     |
| <b>Service revenue</b>                        |                 |                |                 |                |                 |                |
| Main contractor                               | 1,645.48        | 71.39%         | 2,045.9         | 72.46%         | 1,436.99        | 58.26%         |
| Subcontractor                                 | 659.43          | 28.61%         | 777.42          | 27.54%         | 1,029.35        | 41.74%         |
| Revenue from construction services            | 2,304.92        | 100.00%        | 2,823.34        | 100.00%        | 2,466.34        | 100.00%        |
| Sales of construction materials <sup>/1</sup> | 31.77           | 1.34%          | 20.72           | 0.72%          | 6.67            | 0.27%          |
| Other incomes <sup>/2</sup>                   | 29.57           | 1.25%          | 19.97           | 0.70%          | 21.02           | 0.84%          |
| <b>Total revenues</b>                         | <b>2,366.26</b> | <b>100.00%</b> | <b>2,864.03</b> | <b>100.00%</b> | <b>2,494.04</b> | <b>100.00%</b> |

Remarks:

<sup>/1</sup> Sales of construction materials are sales of construction materials to contractors of projects that RT operates. These are general construction materials such as Oil, Steel, and concrete. Pricing policy is cost-plus pricing.

<sup>/2</sup> Other Incomes are such as other service incomes, rental income, sales of salvage parts, other service and interest incomes.

## Revenue structure by regions

| Revenue Structure                            | 2019            |                | 2020            |                | 2021            |                |
|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|  | Million Baht    | Percentage     | Million Baht    | Percentage     | Million Baht    | Percentage     |
| <b>Service revenue</b>                       |                 |                |                 |                |                 |                |
| Domestic Service                             | 2,229.81        | 96.74%         | 2,695.52        | 95.47%         | 2,351.27        | 95.33%         |
| Oversea Service                              | 75.10           | 3.26%          | 127.83          | 4.53%          | 115.07          | 4.67%          |
| <b>Revenue from construction services</b>    | <b>2,304.92</b> | <b>100.00%</b> | <b>2,823.34</b> | <b>100.00%</b> | <b>2,466.34</b> | <b>100.00%</b> |
| Sales of construction materials <sup>1</sup> | 31.77           | 1.34%          | 20.72           | 0.72%          | 6.67            | 0.27%          |
| Other incomes <sup>2</sup>                   | 29.57           | 1.25%          | 19.97           | 0.70%          | 21.02           | 0.84%          |
| <b>Total revenues</b>                        | <b>2,366.26</b> | <b>100.00%</b> | <b>2,864.03</b> | <b>100.00%</b> | <b>2,494.04</b> | <b>100.00%</b> |

Remarks:

<sup>1</sup> Sales of construction materials are sales of construction materials to contractors of projects that RT operates. These are general construction materials such as Oil, Steel, and concrete. Pricing policy is cost-plus pricing.

<sup>2</sup> Other Incomes are such as other service incomes, rental income Sales of salvage parts other service and interest incomes.

## 1.2.2 Product Information

### Nature of Products and Services

The Company provides civil engineering and geotechnical works that require expertise and high technology. The staff of engineers, geologists and technical personnel are those acquainted with and expertise in underground and open excavation general civil works, geotechnical works, mining development, geological exploration and ore reserve evaluation. and open excavation general civil works, geotechnical works, mining development, geological exploration and ore reserve evaluation.

Currently, the Company provides construction services categorized as follows:

- 1) Tunnel & Shaft Construction
- 2) Dam Construction and Irrigation System
- 3) Hydro Power Plant
- 4) Pipe Jacking (PJ) & Horizontal Directional Drilling (HDD)
- 5) Others

For each service, the Company's construction is in line with project consultants and designers. The details are as follows:

### Tunnel & Shaft Construction

Tunnel construction needs complex techniques, including construction methods, steps, engineers' high expertise and experiences, efficient construction tools and measuring instruments as it is an underground construction in a confined space with limited fresh air to breathe and work obstruction of ingress water as well as varying soil or rock strata which is unforeseen by its nature. Because unconformity of rock strata is quite a common thing during the construction, design change of the structure is necessary to suit the conditions of soil and rock. The Company's tunnel construction can be divided into 3 types as follows:

- 1) Tunnel in the Dam / Water Tunnel as part of irrigation work, tunnel as part of Hydro Power Plant work as follows: Diversion Tunnel for water diversion in dam construction, Water Tunnel, and Downstream Tunnel
- 2) Railway Tunnel
- 3) Road Tunnel

These 3 types of tunnel construction are different in terms of tunnel construction techniques and methods, geological conditions, supporting, tunnel lining construction, tunnel alignment, conveyor system of materials and equipment, construction site surroundings together with tunnelling facilities and utilities in the tunnel such as air ventilation system and signaling system.

#### Examples of the Company's Tunnel and Shaft Construction Works

| Projects  | Project Owner   | Project Value (Million Baht) | Year      | Scope of Work  | Type            |
|---|---|------------------------------|-----------|--|-----------------|
| The Increase of Reservoir Volume of Mae Kuang Udom Thara Dam Project (Mae Taeng - Mae Ngud Water Tunnel), Chiang Mai Province, Thailand.                                  | Royal Irrigation Department (RID),                    | 2,848.48                     | 2016-2022 | Work on the whole project  | Main contractor |
| Track Doubling Project for Northeastern Line Map Kabao - Thanon Chira Junction, Saraburi - Nakhonratchasima Province, Thailand.   | State Railway of Thailand                             | 2,620.87                     | 2018-2022 | Work in Contract 1 and 3**   | Main contractor |
| Construction of Low - Pressure Tunnel & High - Pressure Tunnel Xe Pian - Xe Namnoy Hydropower Project, Lao PDR.   | Xe-Pian Xe-Namnoy Hydroelectric Power Co., Ltd.       | 1,108.99                     | 2013-2018 | Platform/Portal<br>Access Adit<br>Power Intake<br>Underground Works<br>Tunnel<br>Excavation<br>Concrete Lining<br>Temporary Supports<br>Grouting | Subcontractor   |
| Track Doubling for East Coast Line Project (Chacheongsao - Khlong Sipkao - Kaengkhoh), Saraburi Province, Thailand. Contract 2: Phra Buddha Chai Tunnel Section Thailand. | State Railway of Thailand (SRT),                      | 368.55                       | 2016-2018 | Work on the whole project  | Main contractor |
| Construction of Diversion Tunnel Works and Grouting Works of Dauntri Dam Development Project, Battambang, Cambodia.   | Ministry of Water Resources and Meteorology, Cambodia | 226.71                       | 2019-2022 | Diversion Tunnel and Intake Tower<br>Grouting Works for Main Dam and Spillway  | Subcontractor   |
| Headrace Tunnel, Thaukyegat (2) Hydropower Project  | Asia World Co., Ltd.                                  | 175.04                       | 2010-2013 | Work on the whole project  | Main contractor |

Remark: \*\*The Company operating under joint venture

## The example of the Company's Tunnel and Shaft Construction works

The Increase of Reservoir, Volume of Mae Kuang Udom Thara Dam Project  
(Mae Taeng – Mae Ngud Water Tunnel), Chiang Mai



Nam Ngum 2 Hydroelectric Power Project



Headrace Tunnel, Thaukyegat (2) Hydropower Project



Track Doubling Project for Northeastern Line Map  
Kabao – Thanon Chira Junction,  
Saraburi – Nakhonratchasima



Construction of Diversion Tunnel Works and Grouting Works of Dauntri Dam Development Project. Battambang, Cambodia.



## 2. Dam Construction and Irrigation System

Dam is the infrastructure used for water resources development by retaining excess water to beneficial use. Dam construction has to use dam technology which is interdisciplinary that needs various knowledge such as water and hydraulic engineering, civil engineering and geology, electrical engineering, mechanical engineering, and environmental engineering. Dam utilizations are namely, domestic uses, irrigation, power generation, flood protection, communication, fishery, and tourism and recreation.

The example of the Company's Dam Construction works

| Projects  | Project Owner                      | Project Value<br>(Million Baht) | Year       | Scope of<br>Work                              | Type            |
|---|------------------------------------|---------------------------------|------------|---|-----------------|
| 1. Mae Saluom Dam Project Chiang Mai Thailand.                | Royal Irrigation Department (RID), | 567.36                          | 2014 -2017 | Work on the whole project                     | Main contractor |
| 2. Improvement of Namkong 2 Hydropower Project                | Chaleun Sekong Group Co., Ltd.     | 155.20                          | 2016-2017  | Dam Improvement                               | Main contractor |
| 3. Nam Louk Dam Construction: Hongsa Mine Mouth Power Project | Hongsa Power Co., Ltd.             | 446.16                          | 2010-2013  | Dam Construction, Quarry, Slope Stabilization | Subcontractor   |
| 4. Sri Song Rak Floodgate Project, Loei, Chiang Khan, Loei    | Royal Irrigation Department (RID), | 1,472.52                        | 2019-2022  | Work on the whole project                     | Main contractor |

The example of the Company's Dam Construction and Irrigation system works

Kwae Noi Dam Project, Pitsanulok



Hongsa Mine Mouth Power Project



Mae Saluom Dam Project, Chiang Mai



Nam Ngum 2 Hydroelectric Power Project, Lao PDR



Sri Song Rak Floodgate Project,  
Loei, Chiang Khan, Loei



### 3. Hydro Power Plant

The Company is the operator of hydro power plant construction both mini and large size, power plant downstream, as well as all structures such as mini hydroelectric development project and civil work. Moreover, the Company is a contractor of reinforce concrete structure work for power house and irrigation such as intake and spillway structure, concrete chimney, and navigation lock.

The example of the Company's Hydro Power Plant works

| Projects  | Project Owner  | Project Value (Million Baht) | Year      | Scope of Work  | Type            |
|---|--|------------------------------|-----------|--|-----------------|
| 1. Major Civil Works of Power House, Xayaburi Hydro Power Project, Lap PDR.       | Xayaburi Hydroelectric Power Co., Ltd.                               | 2,529.76                     | 2015-2017 | The whole Civil Works of Power House No. 2,3,4, and 5                                    | Subcontractor   |
| 2. Klong Tron Hydropower Project Uttaradit, Thailand.                             | Electricity Generating Authority of Thailand (EGAT),                 | 198.12                       | 2017-2020 | Work on the whole project  | Main contractor |
| 3. Mini Hydroelectric Development Project Huai Pa Thao Mini Hydroelectric Project | Department of Alternative Energy Development and Efficiency (De De), | 23.92                        | 2012-2014 | Civil works<br>Penstock<br>Access road<br>Power house<br>Tailrace<br>Channel improvement | Main contractor |



## The example of Hydro Power Plant works

Klong Tron Hydropower Project



Major Civil Works Of Power House,  
Xayaburi Hydro Power



Mini Hydroelectric Development Project  
Huai Pa Thao Mini Hydroelectric Project



#### 4. Pipe Jacking (PJ) & Horizontal Directional Drilling (HDD)

Microtunnelling has been developed and technology transferred from Tunnelling. Nowadays, it has widely been adopted this kind of microtunnelling technology for such construction works as pipelines undercrossing road intersections, pedestrian underpass, pipelaying in waste water drainage and treatment, gas pipeline, raw water supply or treated water supply pipes, electrical conduits or duct banks, telephone lines, communication signal lines as well as other communication systems. Using the same drilling control system and similar stabilizing system, all are called in different technical names i.e., Microtunnelling, Pipe Jacking (PJ), Pipe Bursting, Horizontal Directional Drilling (HDD) etc.

The example of Pipe Jacking & Horizontal Directional Drilling works

| Projects  | Project Owner   | Project Value (Million Baht) | Year      | Scope of Work  | Type  |
|---|---|------------------------------|-----------|--|---|
| 1. Pipe Jacking & Manhole, Yellow Line MRTA Project, Bangkok Metropolitan Administration Thailand.                    | Metropolitan Electricity Authority (MEA),                                     | 1,270.66                     | 2017-2021 | Pipe Jacking and HDD<br>Repairing of Road Surface            | Subcontractor   |
| 2. Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, Thailand. **                                      | Metropolitan Electricity Authority (MEA),                                     | 254.20                       | 2016-2018 | Work on the whole project                                    | Main contractor   |
| 3. Pipe Jacking & Manhole, Sri Nakarin Rom Klao Part 6 Project, Bangkok, Thailand.                                    | Metropolitan Electricity Authority (MEA),                                     | 203.88                       | 2015-2018 | Work on the whole project                                    | Subcontractor<br>Work on the whole project                              |
| 4. Pipe Jacking & Manhole, Sri Nakarin Rom Klao Part 4 Project, Bangkok, Thailand.                                    | Metropolitan Electricity Authority (MEA),                                     | 84.82                        | 2015-2017 | Work on the whole project                                    | Subcontractor by Main contractor<br>hired RT work on the whole contract |
| 5. Pipe Jacking & Manhole, Vibhavadi Rangsit - Phahonyothin, section 2 from Khlong Lat Phrao Bridge to Thepharak Road | Metropolitan Waterworks Authority<br>Metropolitan Electricity Authority (MEA) | 101.14                       | 2021-2022 | Pipe Jacking and HDD<br>Repairing of Road Surface waterworks | Subcontractor   |

Remark: \*\* The Company operating under joint venture

## The example of Pipe Jacking &amp; Horizontal Directional Drilling works

Pipe Jacking &amp; Manhole, Soi Chulalongkorn 64

Pipe Jacking & Manhole, Prag-Gasa Station Project,  
Samut Prakan, ThailandPipe Jacking & Manhole, Yellow Line MRTA Project,  
Bangkok Metropolitan Administration Thailand

## 5. Others

The Company is the operator of Slope Stabilization, Earth and Rock Excavation both Blasting and Drilling, Geological Exploratory Drilling, Grouting work, Mining work, rail work, Road and Bridge, and others.

The example of the Company's construction works

| Projects  | Project Owner                                 | Project Value (Million Baht) | Year      | Scope of Work                                | Type            |
|---|---|------------------------------|-----------|--|-----------------|
| 1) Civil Works for Highway 22 A.Nong Han - A.Phang Khon Section 1 Km.60+000-Km. 75+850, Km.79+420-Km.88+000 Udon Thani - Sakon Nakhon Thailand. | Department of Highways (DOH),                 | 755.02                       | 2018-2021 | Work on the whole project                    | Subcontractor   |
| 2) Slope Protection Work of Chantuk - Klong Khananchit Railway Station Project Thailand.**  | State Railway of Thailand (SRT),              | 65.78                        | 2017      | Work on the whole project                    | Main contractor |
| 3) Slope Protection Work of Highway No.205, Lamnarai Municipality - Chong Samran Part 2 Project Lop Buri Thailand.                              | Office of Highways 11, Department of Highways | 37.29                        | 2017-2018 | Work on the whole project                    | Main contractor |
| 4) Project of Foundation Remedy for Highway 1349 Sta. 0100 Sa Mueang Wat Chan, Section 1-3  | Department of Highways (DOH),                 | 46.37                        | 2021      | Work on the whole project                    | Main contractor |
| 5) Xe Pian - Xe Namnoy Hydroelectric Power Project: Civil Package 3, Dam Grouting   | SK Engineering and Construction Co., Ltd      | 185.04                       | 2014-2016 | Temporary Supports, Grouting                 | Subcontractor   |
| 6) Phuthapfa Gold Mine Phase 1 Project, Loei, Thailand  | Thung Kum Co., Ltd.                           | 75.77                        | 2010-2011 | Blasting work and loading and transportation | Main contractor |
| 7) Kyaikthalan Pagoda Slope Stabilization Project   | Government of MON State                       | 37.56                        | 2019-2020 | Work on the whole project                    | Main contractor |

Remark: \*\*The Company operating under joint venture

## The example of the Company's construction works

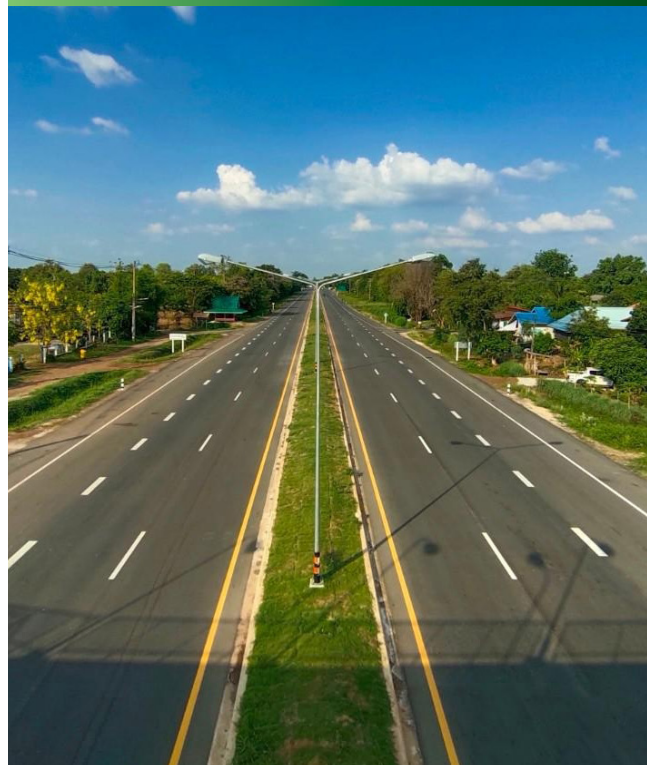
**Kyaikthalan Pagoda Slope Stabilization Project**



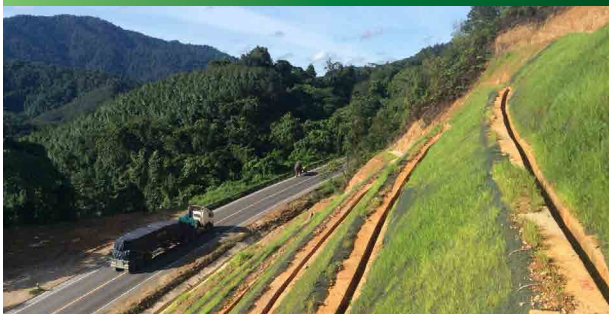
**Project of Foundation Remedy for Highway  
1349 Sta. 0100 Sa Mueang Wat Chan, Section 1-3**



**Civil Works for Highway 22 A.Nong Han-A.Phang Khon  
Section 1 Km.60+000-Km. 75+850, Km.79+420-Km.88+000  
Udon Thani-Sakon Nakhon Thailand.**



**Project of Foundation Remedy of Highway No. 401,  
Section 0101, Yak Khok Khien - Khao Sok Section,  
Sta. 27+055 to 27+125**



Therefore, the Company's construction operation can be divided into 2 types:

- 1) **Main Contractor** - The Company directly submits proposals in its own name, as contractor through bidding or negotiate with the project owners, including works from government agencies, state enterprises, and private sectors. In the acceptance of projects in this manner, the Company does not solely carry out the entire construction work, but subcontracts parts of such work.
- 2) **Subcontractor** - The Company accepts work from other contractors that were awarded the work directly from Project owners. The work of this nature would mostly be large sized and sophisticated or requiring construction contractors with various capabilities and fields of experience. A single main contractor does not have adequate experience and skills to proceed with all steps of the work and deliver the works on time, so they have to hire other subcontractor to work such as installation work of electrical system and mechanical system, reinforcement bar cutting, bending and tying of a reinforced concrete work, erection of concrete formworks and concrete placing, geological investigation and sampling collection such as and services such as transporting trucks etc. The company seeks the Sub contractor who has required qualifications according to the company guideline in selecting the Sub contractor.

### 1.2.3 Marketing and Competition

#### Marketing Strategy

The Company has expertise in construction engineering and geotechnical. The Company committed to deliver the highest quality construction. Timely completion for long lasting customer satisfaction with the specialized experienced and expertise staff. The Company operates construction engineering business and geotechnical that the works meet the construction standard quality, safety, occupational health, and working environment.

#### Nature of Customers and Target Customers

The Company serves services to both domestic and international customers. The domestic customers can be divided into 3 groups, namely government agencies, state enterprises and private sector. For international customers, the major customers are private sector.

The domestic customers can be divided into 3 groups, as follows:

#### 1. Government Agencies

Government agencies are the major domestic customers of the Company. In 2019 - 2021, the Company had revenue from the government agencies from construction service contributing to 34.12, 30.72 and 42.64 percent of construction revenue respectively. As the government agencies are laying the foundation of the country's infrastructure, which considered a significant foundation in nation's development, the country's establishment of policy and construction project will promote the private sector to invest in the government's projects. The government agencies customers of the Company are, namely Royal Irrigation Department, Department of Mineral Resources, the Supreme Command Headquarters, Department of Highways, Department of Public Works, Department of Groundwater Resources etc.

#### 2. State Enterprises

State enterprises are the organization that the government is the major shareholder or the owner. It is the organization that the federal government is own or control but it is intended for profit.

In 2019 - 2021, the Company had revenue from the domestic State Enterprises contributing to 36.00, 40.38 and 14.48 percent respectively. The state enterprises customers comprised of Electricity Generating Authority of Thailand (EGAT), Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA), Airports of Thailand State Railway of Thailand (SRT) etc.

### 3. Private Sector

Private Sector has a significant role in construction investment in the country. In 2019 - 2021, the Company had revenue from the Private Sector from construction service contributing to 26.62, 24.37 and 38.21 percent respectively. The customers from private sector of the Company are such as Italian - Thai Development Public Company Limited, Sino-Thai Engineering and Construction Public Company Limited, Banchakij Company Limited etc. Also, the Company has the private sector customers in other countries namely CH. Karnchang (Laos) Company Limited, Hongsa Power Company Limited, Geotechnical & Foundation Engineering Co., Ltd., and Kyeryong Construction & Industrial Co., Ltd

### Competition

Nowadays, there are more than 80,000 of construction company. (Department of Business Development, 2018) Most of large-sized contractors are the listed companies. The differences of large-sized contractors and SMEs are as follows:

| Type                        | Public Construction  | Private Construction  |
|-----------------------------|--|---|
| <b>Type of Work</b>         | Mostly involves large-scale infrastructure projects which requires specialist knowledge, e.g., mass transit systems.   | Work is concentrated in the residential accommodation segment, followed in importance by industrial and commercial properties, e.g., department stores.   |
| <b>Revenue Recognition</b>  | Construction fees are adjusted according to the K value, or 'escalation factor', a tool to reduce risk arising from fluctuating construction costs. At the time that disbursements are made, current costs are compared to the value when competitive bids were tendered (calculations are based on the index value of the most important construction materials). If the K value has increased by more than 4%, contractors will receive a compensation. If it drops by more than 4%, they will have to make repayments to public agencies. | Private-sector construction costs rise and fall according to market prices of materials. This means operators need to accept the financial risk created by fluctuating prices.  |
| <b>Choosing contractors</b> | E-bidding is used to award contracts.  | There is no standard bidding mechanism for private construction contracts. So, these may be awarded based on familiarity or personal knowledge of the contractor. For large projects, competing on price is common but this may be done via electronic methods or by more traditional means, such as submitting written bids. |
| <b>Project return</b>       | Margins tend to be relatively low.   | Margins are higher than for public-sector construction projects.  |
| <b>Sources of funding</b>   | Government budget, state enterprises, borrowings, public-private partnerships, and the Infrastructure Fund.  | Company funds or debt (including stocks and debentures)   |

| Type                                   | Large operators  | SMEs   |
|--|--|--|
| <b>Skills and expertise</b>            | Large operators can work effectively in both public and private construction projects, particularly large developments, high-rise buildings, and other specialist projects, including high-value developments related to logistics.  | Most SMEs engage in general construction work, though some mid-size companies may specialize in areas such as foundations or road construction.  |
| <b>Financial strength</b>              | Large operators enjoy a higher degree of financial security.   | SMEs have limited finances, which forces them to work as sub-contractors for larger companies  |
| <b>Use of construction technology</b>  | Large operators invest in the development and deployment of modern construction technologies, which saves time and costs and reduces risk of exposure to labor-shortage. Some players have also invested in related businesses which manufacture construction materials, such as pre-fabricated steel flooring and concrete walling. | Currently, SMEs do not develop their own technologies. They still rely heavily on more labor-intensive techniques, but they are increasingly using ready-made materials, such as precast concrete and metal sheet walling. |
| <b>Bargaining power with suppliers</b> | When dealing with suppliers of construction materials, large companies are able to exploit strong economies of scale to negotiate for better prices.   | SMEs undertake smaller volumes of work, so they have a worse bargaining position relative to suppliers.  |
| <b>Cost management</b>                 | Large operators employ professional administrators to plan and manage stock systematically.  | Most SMEs are family businesses. Hence, their stock management tends to be less efficient.   |

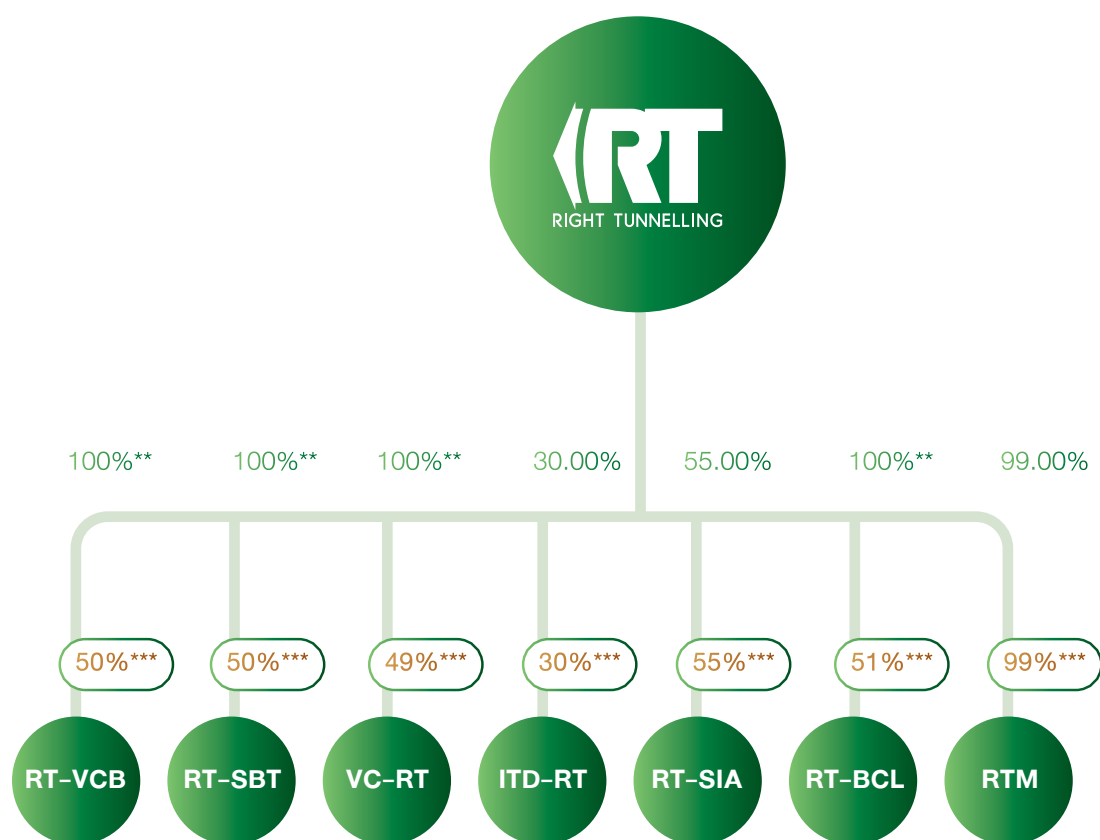
(Source: Krungsri Research Industry Outlook 2021 - 2023, Construction Contractors, February, 2021)

## 1.2.4 Procurement of Products or Services

The Company's significant construction materials in construction service are; namely, concrete, cement, steel, metals, explosives, construction chemical, tools supplies, electrical system etc. The Company has the concrete pipe foundry located closed to the construction sites for construction using in Pipe Jacking Project. In procuring construction materials for construction service, the Company has procured from both domestic and overseas, but mostly domestic, except for the specific material available only from abroad depending on the employer's contract. The procurement will follow the Company's procurement policy, there will be an approval and procurement plan. Comparing the prices from vendor list at least 2 vendors, except special goods that have a specification and have only one dealer. However, it must be approved from the authority first and then make a purchase at the appropriate price.

Previously, the Company has never encountered a procurement problem or a material shortage, except for the construction material price risk such as steel, metal, and concrete etc., especially the steel's price which fluctuate following demand and supply of the world market. The fluctuation of material prices might affect the Company's cost management. However, the Company has followed up the news and material prices trend all the time to be able to manage the project costs efficiently. The Company did not rely on any particular dealer because their materials are for a general construction, so there are plenty of them. The Company has procurement steps, comparing the prices at least 2 vendors and conduct evaluation of the dealer in a specified period, to make sure that the materials have quality and appropriate price for the Company's best interest.

### 1.3 Shareholding Structure of Company Group



Remark: \*\* Interest in joint venture after the transfer of interest from other party

\*\*\* Proportion by joint venture and responsibility as contract



## Subsidiaries

### 1. Right Tunnelling Myanmar Company Limited

|                                  |   |  |
|----------------------------------|---|--|
| Established Date                 | : | June 2, 2016   |
| Address                          | : | No.1110, Byamaso Street, 4 Block, South-Okkalapa Township, Yangon.   |
| Nature of Work                   | : | Construction Services<br>Office Building Design Planning Services<br>Engineering Architecting and Advertising Service<br>Geotechnical and Water Resources Civil Engineering Consulting<br>Mining and Petroleum Engineering Consulting<br>Water from the Artesian Well, Environment, and Industry Consulting<br>Administrative, Marketing, and Procurement Consulting |
| Joint Venture and Responsibility |   | Right Tunnelling Public Company Limited      Holds 99.00%<br>Mr. Chawalit Tanomtin                                      Holds 1.00%  |
| Authorized Capital               | : | USD 150,000  |
| Paid-Up Capital                  | : | USD 150,000  |
| Common Stock                     | : | 150,000 shares   |
| Par Value                        | : | USD 1  |
| Directors                        | : | 1. Mr. Chawalit Tanomtin<br>2. Mr. Teerayut Chusilp<br>3. Mr. Chaiya Wonglappanich   |
| Authorized Directors             | : | 1. Mr. Chawalit Tanomtin<br>2. Mr. Teerayut Chusilp<br>3. Mr. Chaiya Wonglappanich<br>Two of three directors to sign and affix the Company seal  |

## Joint Ventures

The Company has Joint Ventures with outside company which is not related to shareholders, directors, and the Company's Executives.

### 1. Right Tunnelling-Vichitbhan Construction Joint Venture (RT-VCB)

|                                  |   |   |
|----------------------------------|---|---|
| Contract Signing Date            | : | January 22, 2014  |
| Head Office                      | : | 292 Moo 4, Bangna - Trad Road Km. 26, Bang Bor Bang Bor , Samut Prakarn 10560   |
| Nature of Work                   | : | Construction of Mae Saluom Dam Project Chiang Mai   |
| Joint Venture Purpose            | : | For signing a contract to be a contractor of Royal Irrigation Department and construction according to the conditions specified in the contract, liaising with other related departments, and operating the project until complete. |
| Joint Venture and Responsibility | : | Right Tunnelling Public Company Limited Holds 50.00%<br>Vichitbhan Group Construction Company Limited Holds 50.00%  |
| Remark:                          | : | Vichitbhan Group Construction Company Limited has transferred the joint venture's interest to Right Tunnelling Public Company Limited Therefore, the Company has proportion in joint venture at 100 %                               |

### 2. Right Tunnelling- Sahaburana Technology Joint Venture (RT-SBT)

#### 2.1 Pipe Jacking Work in Rattanakosin 200 Years Project

|                                  |   |  |
|----------------------------------|---|--|
| Contract Signing Date            | : | November 27, 2014  |
| Head Office                      | : | 292 Moo 4, Bangna - Trad Road Km. 26, Bang Bor Bang Bor , Samut Prakarn 10560  |
| Nature of Work                   | : | Construction of Pipe Jacking Work in Rattanakosin 200 Years Project, Samut Prakan and Prag-Gasa Station Project, Samut Prakan.   |
| Joint Venture Purpose            | : | For construction bidding: Pipe Jacking Work in Rattanakosin 200 Years Project, Bangkok - Chonburi sec. 30+601 to sec. 30-928, Bang Bor, Bang Bor Samutprakarn with Metropolitan Electricity Authority. |
| Joint Venture and Responsibility | : | Right Tunneling Public Company Limited Holds 50.00%<br>Saha Burana Technology Company Limited Holds 50.00%   |
| Remark:                          | : | Saha Burana Technology Company Limited has transferred the joint venture's interest to Right Tunnelling Public Company Limited Therefore, the Company has proportion in joint venture at 100 %         |

## 2.2 Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, Thailand from Sukhumvit Road to Putharaksa Sub Station

|                                  |   |  |
|----------------------------------|---|--|
| Contract Signing Date            | : | November 13, 2015  |
| Head Office                      | : | 292 Moo 4, Bangna - Trad Road Km. 26, Bang Bor Bang Bor, Samut Prakarn 10560   |
| Nature of Work                   | : | Construction of Construction of Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, by Pipe Jacking Horizontal Directional Methods from Sukhumvit Road to Putharaksa Sub Station Samutprakarn by Pipe Jacking and Horizontal and Directional Drilling                 |
| Joint Venture Purpose            | : | For construction bidding: Pipe Jacking & Manhole, Prag-Gasa Station Project, Samut Prakan, From Sukhumvit Road to Putharaksa Sub Station Samut Prakarn by Pipe Jacking and Horizontal Directional Drilling Methods with Electronic method with Metropolitan Electricity Authority. |
| Joint Venture and Responsibility | : | Right Tunnelling Public Company Limited Holds 50.00%<br>Saha Burana Technology Company Limited Holds 50.00%  |
| Remark:                          |   | Saha Burana Technology Company Limited has transferred the joint venture's interest to Right Tunnelling Public Company Limited Therefore, the Company has proportion in joint venture at 100 %   |

### 3. ITD-RT Joint Venture (ITD-RT)

|                                  |   |  |
|----------------------------------|---|--|
| Contract Signing Date            | : | August 11, 2017  |
| Head Office                      | : | 2034/132-161 ItalThai Tower, New Petchaburi Rd, Bang Kapi, Huai Khwang, Bangkok 10310                                      |
| Nature of Work                   | : | Construction Project of Track Doubling for Northeastern Line Map Kabao - Thanon Chira Junction, Contract 3: Railway Tunnel |
| Joint Venture Purpose            | : | To entered into contract with State Railway of Thailand  |
| Joint Venture and Responsibility | : | Italian - Thai Development Public Company Limited Holds 70.00%<br>Right Tunnelling Public Company Limited Holds 30.00%     |

### 4. Right Tunnelling- Sahaburana Technology Joint Venture (RT-SIA)

|                                  |   |   |
|----------------------------------|---|---|
| Contract Signing Date            | : | August 29, 2017   |
| Head Office                      | : | 292 Moo 4, Bangna - Trad Road Bang Bor Bang Bor, Samut Prakarn 10560  |
| Nature of Work                   | : | Pipe Jacking Work for Underground Electricity Cable for the 115 kV Circuit SIT-796 power distribution to Tie Line through the 230 kV, EGAT, cuts through Bang Phai Road - Ban Nong Phao Ngai to supply power to the Khun Sri substation, point 4, Khlong Sipsok, Nong Phao Ngai Sub-district, Sai Noi District, Nonthaburi  |
| Joint Venture Purpose            | : | Pipe Jacking Work for Underground Electricity Cable for the 115 kV Circuit SIT-796 power distribution to Tie Line through the 230 kV, EGAT, cuts through Bang Phai Road - Ban Nong Phao Ngai to supply power to the Khun Sri substation, point 4, Khlong Sipsok, Nong Phao Ngai Sub-district, Sai Noi District, Nonthaburi with Metropolitan Electricity Authority. |
| Joint Venture and Responsibility | : | Right Tunnelling Public Company Limited Holds 55.00%<br>Sia Construction and Management Company Limited Holds 45.00%  |

## 5. Right Tunnelling- Bangkok Civil Line Joint Venture (RT-BCL)

|                                  |   |  |
|----------------------------------|---|--|
| Contract Signing Date            | : | August 20, 2018  |
| Head Office                      | : | 292 Moo 4, Bang Bor Bang Bor, Samut Prakarn 10560  |
| Nature of Work                   | : | Soil Improvement under plumbing (Jet Grout Block Cut & Cover Tunnel Type 1-2) Orange Line Project (Contract E1: Underground Civil Work)  |
| Joint Venture Purpose            | : | For construction bidding: Ground Improvement Along Bored Tunnels by Jet Grouting, Orange Line Project with CKST Joint Venture  |
| Joint Venture and Responsibility | : | Right Tunnelling Public Company Holds 51.00%<br>Bangkok Civil Line Company Limited Holds 49.00%  |
| Remark:                          |   | Bangkok Civil Line Company Limited has transferred the joint venture's interest to Right Public Company Limited. Therefore, Right Company Limited has proportion in joint venture at 100 % |

## In processing of registration of Joint Venture dissolution

### 1. Rudee Prayong-Right Tunnelling Joint Venture (RDP-RT)

|                                  |   |   |
|----------------------------------|---|---|
| Contract Signing Date            | : | September 27, 2016  |
| Head Office                      | : | 292 Moo 4, Bangna - Trad Road Km. 26, Bang Bor Bang Bor, Samut Prakarn 10560  |
| Nature of Work                   | : | Construction of Slope Protection Work of Chantuk - Klong Khananchit Railway Station Project.  |
| Joint Venture Purpose            | : | For construction bidding: Slope Protection Work of Chantuk - Klong Khananchit Railway Station Project with State Railway of Thailand with State Railway of Thailand                       |
| Joint Venture and Responsibility | : | Right Tunnelling Public Company Limited Holds 80.00%<br>Rudee Prayong Limited Partnership Holds 20.00%  |
| Remark:                          |   | Rudee Prayong Limited Partnership has transferred the joint venture's interest to Right Tunnelling Public Company Limited Therefore, the Company has proportion in joint venture at 100 % |

### 1.3.1 Relationship with the Related Party

| 1. E.F.S. GROUP CO., LTD.          |   |   |                      |        |
|------------------------------------|---|---|----------------------|--------|
| Established Date                   | : | April 5, 2000   |                      |        |
| Address (Head Office)              | : | 341 Sirindhorn Rd., Bang Bumru, Bang Phlat, Bangkok 10700   |                      |        |
| Type of Business                   | : | Wholesale machinery and equipment for industrial use business   |                      |        |
| Authorized Capital/Paid-Up Capital | : | Baht 5,000,000  |                      |        |
| Shareholding' Structure            | : | Mr. Peansup Kunnathomsiri   | holds 21,000 shares, | 42.00% |
|                                    |   | Miss Thongbai Songkittitham   | holds 20,001 shares, | 40.00% |
|                                    |   | Mr. Supathatch Kunnathomsiri  | holds 7,996 shares,  | 16.00% |
|                                    |   | Mr. Suchoke Kunnathomsiri   | holds 1,000 shares,  | 2.00%  |
|                                    |   | Mr. Kessada Yuyardmak   | holds 1 shares,      | 0.00%  |
|                                    |   | Mr. Thanaboon Songkittitham   | holds 1 shares,      | 0.00%  |
|                                    |   | Mr. Olarn Songkittitham   | holds 1 shares,      | 0.00%  |
| Directors                          | : | Mr. Peansup Kunnathomsiri   |                      |        |
| Authorized Directors               | : | Mr. Peansup Kunnathomsiri the one to sign and affix the Company seal  |                      |        |
| Relationship the Company           | : | Mr. Peansup Kunnathomsiri is the shareholder of the company, as a 1.29% of paid-up capital at June 10, 2020 |                      |        |

### 1.3.2 Shareholders

As of 2021, the Company's list of major shareholders including shareholders described as per Article 258 of Securities and Exchange Act B.E. 2535 and shareholders that are under the same regulator are as follows

| Name                                    | Number of Shares and Proportion in 2021 |               |
|---|---|---------------|
|   | Number of shares                        | Percentage    |
| 1. Mr. Chawalit Tanomtin                | 179,235,800                             | 16.28         |
| 2. Miss Chanaporn Bray                  | 90,500,000                              | 8.23          |
| 3. Mr. Thanawut Sirinawin               | 50,590,400                              | 4.60          |
| 4. Mr. Teerayut Chusilp                 | 47,141,700                              | 4.29          |
| 5. Mr. Prisdapunt Pojanapreecha         | 24,249,600                              | 2.20          |
| 6. Miss Prapaipan Putthapibal           | 24,148,000                              | 2.20          |
| 7. Mr. Surasak Seekhiew                 | 23,958,400                              | 2.18          |
| 8. Mom Ratchawongse Chatumongol Sonakul | 23,000,100                              | 2.09          |
| 9. Mr. Chaiya Wonglappanich             | 21,288,000                              | 1.94          |
| 10. Mrs. Rungthip Chantaramongkol       | 19,380,000                              | 1.76          |
| 11. Other Shareholders                  | 596,508,000                             | 54.23         |
| <b>Total</b>                            | <b>1,100,000,000</b>                    | <b>100.00</b> |

## 1.4 Volume of Authorized Capital and Paid-Up Capital

### Authorized Capital /Paid-Up Capital/Volume of Shares

In the present, the existing registered capital of the Company is Baht 550,000,000. divided into a total of 1,100,000,000 ordinary shares, at the par value of 0.50 Baht per share. The paid-up capital is 400,000,000 Baht, divided into a total of 800,000,000 ordinary shares, at the par value of 0.50 Baht per share. After IPO, the paid-up capital are 550,000,000 Baht, divided into a total of 1,100,000,000 ordinary shares, at the par value of 0.50 Baht per share. Registered with SET market.

## 1.5 Dividend Payout Policy

### Dividend Payout Policy

The Company has a policy to pay dividend at a rate of not less than 40% of net profit after corporate income tax and legal reserve, including other reserves based on its separated financial statements. However, the company may consider changing the dividend payment depending on performance, financial status, liquidity, investment plan, and other necessities in the future. Therefore, the resolution of the board that approves the dividend payment must be presented to the shareholders' meeting for approval. However, the BOD has an approval authority to approve the interim dividend payment if deemed appropriate. The payment must be reported to the shareholders at the next shareholders' meeting.

Dividend payout history compares with net profit 2019 - 2021

| Details                                       | 2019   | 2020   | 2021   |
|---|--------|--------|--------|
| Net Profit (Loss) <sup>1</sup> (Million Baht) | 139.07 | 239.15 | 38.92  |
| Dividend Payout (Million Baht)                | -      | 93.50  | 15.40  |
| Dividend Payout Rate <sup>1</sup> (%)         | -      | 41.16% | 41.71% |

Remark:

<sup>1</sup> Net Profit (Loss), For the accounting period from the separate financial statements of the company

<sup>2</sup> Dividend Payout Rate = Dividend / Net Profit for the accounting period from the separate financial statements of the company

### Subsidiary's Dividend Policy

Subsidiary has not determined the exact dividend policy, so it depends on the Company's turnover each year. However, the subsidiary's directors may consider dividend payout policy, but they need the agreement from shareholders' meeting first, except for the interim dividend payment, the directors have authority to pay dividend when the subsidiary has enough revenue. Then, the directors have to report to the next shareholders' meeting.

The subsidiary's consideration of dividend payout will consider from the remaining of net profit after every deduction as required by law. However, dividend payout will depend on cash flow, investment plan, and legal terms. The subsidiary will consider from the necessity and proper of other factors in the future and the dividend payout will not affect to the company operations significantly.

## 2. Risk Factors

### 2.1 Risk Policies and Management Plans

The Company has conducted risk management policies systematically, considered it as a main policy to develop the Company. There is an incident management, threat management, and other factors that might impact the objectives achievement and the Company's goals. The Company also conducted risk management team including every department that related to understand and work in the same direction, follow up enterprise-wide risk management, and risk analysis in the main project. There are 6 types of risks:

1. Emerging Risk
2. Strategic Risk
3. Operational Risk
4. Financial Risk
5. Compliance Risk
6. Investment Risk

### 2.2 Business risks

#### 1. Emerging Risks

##### 1.1 Economy

Economic conditions affected the expansion of the construction business due to the economic growth or slowdown that affects both public and private investment which is a factor that affect the company's income. Therefore, the company has to take into account the risks from economic conditions and the rate of economic growth.

However, the company has more than 20 years of experiences in the construction work of civil engineering and geotechnical in both as a direct contractor and subcontractors in the past which has gained trust of both government agencies, private agencies, as well as employers from abroad to work in various projects. In the meantime, the company plans to expand its customer base to neighboring countries especially in the CLMV1 countries to help reduce the risks from economic conditions.

<sup>1</sup>Cambodia, Laos, Myanmar, and Vietnam (CLMV)

##### 1.2 Change in government policy

Changes in government policy may have an impact on the construction business. In particular, policies on construction budgets for various infrastructure. However, the Company regularly monitors news from the government in order to plan the bidding plan of the company to have continuous income. With the stated reason, the Company believes that the Company will not have a significant impact from risk factors due to changes in government policies.

Being said, government sector is one of customers contributing to the Company's income in 2019 - 2020 more than 30 percent and up to 40 percent in 2021. Mitigation plans of such risk are to emphasize and consistently follow up the news for bidding plan in order for continuous earning; seek to establish business alliance in order to exchange any necessary information in preparing and mitigating emerging risk that may occur.

### 1.3 Government budget disbursement

The construction business is at risk of government budget disbursement. If there is a delaying budget disbursement, it may affect the liquidity of the company from not getting paid on time and may be the cause of the work delay than the time specified in the contract.

Currently, the value of work under construction under the government policy is still high. This may result in a lack of liquidity for the payment of wages and construction materials which could cause delay in delivery and may have problems with the employer in the part of the company that was not affected by the delay in the budget.

## 2. Strategic Risks

### 2.1 Discontinuity of revenue from construction contracts

Since the main income of the company is revenue from construction from the construction of each project, which is recognized when the work is completed and the work is delivered according to the contract to the customer. Therefore, in the event that the company does not have construction work on hand to support continuous work or no new jobs to support, which may affect the operations of the company.

The company is aware of such risks. Therefore, guidelines have been established to mitigate such risks. The company has a budget plan, revenue target and new projects to be auctioned in order to be in line with the work that the company is doing. If the amount of work that is being done and will be completed and ready to deliver in a short time. Due to the small number of backlogs, the company will have to rush to find new jobs as well as contact with other companies that have been partners in working with the company regardless of whether in the form of a joint venture or joint venture (Consortium). The company believes that the company will be able to reduce the risk arising from such incidents.

### 2.2 Competition within industry

The construction business is one of the industries that are important to the economy of Thailand and it is a business that has a tendency to compete in high competition for contractors to take up construction work. In some auction, the company sometimes has to compete with a large group of experienced contractors and higher financial potential than contractors or subcontractors causing competition because the big companies that are listed on the Stock Exchange of Thailand will be a company with high working capital and lower financial costs than contractors or subcontractors. As a result, the subcontractors who want to win the auction will bid at the auction with a low margin, resulting in a lower profit-to-value of the project.

However, the company has working experience in the construction business especially the geotechnical work for more than 20 years, making the company becomes an expert and experienced in the construction of geotechnical works and civil engineering by contracting the construction of geotechnical work which require expertise and experience along with modern machinery that are enough to work. It is not easy to find people who will qualify as a company. As a result, the work in the mentioned section is not very competitive. In addition, the company is an expert and has experience in geotechnical work for more than 20 years. The company has a large-scale construction project both at home and abroad, which is known to the employer based on the stated reasons, the company believes that it will not be significantly impacted by competitive risks.

### 3. Operational Risks

#### 3.1 False Projection of operating costs

Projecting construction costs is an important aspect of construction business because the estimated cost to accept the work will determine the company's operating results. Therefore, before accepting work in any project, the company will set a reasonable estimate of the cost of work in order to avoid errors and use in the pricing before the bidding by determining the profit margin for each job auction in accordance with the Company's policy. In addition, the project manager and the project engineering department will review the details for the purpose of tightness. The company is aware of such risks. Therefore, the Company assigns project managers and engineering to inspect the details for tightness to help prevent or reduce errors related to inaccurate cost estimates.

#### 3.2 Fluctuation on construction material and fuel prices

The company engages in the construction business of civil engineering and geotechnical where materials are purchased construction equipment such as steel and metal materials, cement, gravel, sand, fuel, lubricating oil and running materials such as fuel oil that are used for construction vehicles and machinery. Therefore, the cost of construction materials and fuel prices are the major construction costs of each project. If there is an increase or decrease in price, it will directly affect the purchase cost of raw materials used in the construction. Currently, some types of construction work with the government that have been completed for many years will be indicated on the construction value adjustment according to the price adjustment formula (K value). In the event that prices of main materials used for construction have risen or fallen beyond the specified price range, the company will receive compensation if material prices rise or the company will pay compensation if the material prices drop.

#### 3.3 Project delayed

Delays in construction projects can occur from the operations of the company as a contractor or caused by the employer or caused by other external effects such as changing some details of work that the contractor is unable to enter the construction area, the employer could not deliver the area used for construction. In the late delivery of work, there is a contract requirement that the employer has the right to charge the contractor at the rate as specified in the contract. However, if such delay is not caused by the company or as a force majeure, the company can negotiate with the employer to request an extension of the construction time.

The company are aware of such risk from the delay of each project. Therefore, there is a risk assessment before deciding to accept the job or enter the auction. In the event that the company has decided to accept the job or bid the job, there will be a set of guidelines for the work in order to be able to deliver the work on time.

#### 3.4 Sabotage, accidents, and natural disasters

Sabotage, disasters, or natural disasters is an external factor that the company cannot control. If such an event occurs, the operating project may be delayed and result in the delay of the project that will increase the cost of the project budget that the company has made which may affect the performance of the company.

However, the company are well prepared to mitigate such risk, imposing the Business Continuity Plan: BCP and Crisis Management Plan: CMP to reduce the native impacts from the emergency. In addition, all construction projects in the company are covered with insurance accommodating damages that may arise from such risks.

### 3.5 Information technology management

The businesses of the company rely on technology to keep pace with competitors including the management of various information. There are risks of leakage, loss, or may cause business interruption such as establish a system to monitor the server room according to the standards, set up the firewall and LOG to prevent network intruders at both the headquarters and the job site To install a joy domain, connect to Server Active Directory to manage the security of Computer systems within the organization, both at the headquarters and at the site, disaster recovery plan (Disaster Recovery Planning) to recover the organization's IT system when there is an event that causes disruption, IT staff takes care of the system according to the security policy of the information system and Follow the management manual.

### 3.6 The spread of Covid-19

The outbreak of the COVID-19, which has spread since the beginning of the year and has mutated into new species that are dangerous, easily contagious, and at risk of death, causing the government to issue a decree to the public administration in emergency situations and measures such as the closure of construction sites in certain areas to reduce the rate of the pandemic. The impeding the company from carrying out regular construction work, slowing down construction operations, and causing labor shortages. Both Thai and foreign workers for domestic projects are forced to return to their hometown

The company itself has found that since the beginning of 2021, there has been a spread of the virus in our ongoing projects. Therefore, in cooperation with the Ministry of Health and government measures, the Company sent the infected from construction sites for proper treatment and the high-risk ones for quarantine, following Bubble and Seal measures barring outsiders from entering the project area and worker from leaving the construction area. The number of people infected is reduced accordingly. The company can resume regular operation. However, the areas where the government has taken measures to close construction sites, the Company had submitted the right to suspend or reduce fine as per the announcement of Comptroller General's Department, Circular No. 423 and other relevant official pronouncement to extend the term of contract and refrain from fines incurred from such impacts.

Currently, the company imposed preventive measures in response to the spread of the virus. The company has a policy to randomly inspect employees and workers on various projects with an (Antigen Test Kit: ATK) on a monthly basis; Work from Home measures to reduce overcrowding in the workplace, procuring and expediting all employees to receive 2 needles of vaccination (booster dose if possible). In the case that infection occurred, the company would impose control measures, Bubble and Seal measures, outsource or seek for subcontractors, or inquire to extend the periodic term of contract with the employer.

### 3.7 Subcontractor employment

For the construction service of the company, there are limited personnel restrictions in accepting the work with the employer which make some projects that the company hires other subcontractors (Subcontractors) to cover the needs of the employer within the time frame specified by the employer in the contract that the work requires hiring a subcontractor with specific expertise in construction, system installation, transportation employment, architectural work. In each project in which the company controls the work of subcontractors to ensure the construction is in accordance with the schemes and time frames set out in the contract. In hiring subcontractors and outsourcing, there may be a chance of mistakes in the work of subcontractors or third parties which caused a delay and caused damage to the Company's projects that makes the company vulnerable to damage from work.

The company manage such risks by establishing a policy for recruitment, selection and assessment of subcontractors in order to screen the quality and verify the reliability of the subcontractors.

### 3.8 Reliance on management and key personnel

In operating the construction business, the Company needs to rely on the Management. If they are unable to drive the operation, the business may be interrupted. The company also relies on specialized and skilled personnel in the construction. Civil and geotechnical engineering are the key personnel of the business.

However, the Company has considered adjusting the minimum wage and salary structure to be more appropriate and competitive in order to attract potential workers to join the company and its former employees to stay with the company. The Company also prepares an annual workforce rate plan and analyzes the reasons for leaving the job (Exit Interview), including setting up a succession plan at all management levels so that the company can continue to operate.

## 4. Financial Risks

### 4.1 Liquidity Risk

Typically, financial liquidity is an important factor for construction business as it will require high operating capital and sufficient working capital to supply of raw materials, machinery, and equipment for each project and to accommodate the labor costs. Work stationed at the projects in which the company operates. If the company does not manage financial liquidity well, it may have an impact on the company's operations.

Being aware of the financial liquidity risk as an important factor in business operations, the Company has prepared to prevent such risks by asking credit from the bank to Overdraft Line (O/D), Promissory Note (P/N), Letter of Guarantee (L/G), as well as Letter of Credit (L/C) for use as working capital for business operations such as purchasing raw materials operating equipment and to support various expenses in construction project, etc., including planning the use of the annual budget of the whole company. However, the company has imposed a cash flow management policy in order to cope with liquidity issues that may occur in the future by asking for credit approval from commercial banks and financial institutions for business operations. In addition, the Company has planned and studied other financial instruments providing options to increase liquidity besides requesting loans from banks and financial institutions.

## 4.2 Liquidity from unbilled receivables and risk to collect money from the customer

As of December 31, 2021, the Company's unbilled receivables are 1,795.78 Million Baht increased 463.59 Million Baht from 2020 or equivalent to 34.80. Mainly due to the water tunnel project and tunnel building in Chiang Mai province in the amount of 695.00 Million Baht consisting of

(Unit: Million Baht)

| Unbilled Receivables<br>(Water Tunnelling Project in Chiang Mai) | Unbilled receivables accrued for each period |        |        |
|--|--|--------|--------|
|  | 2019   | 2020   | 2021   |
| 1) Cavity Problem Work   | 243.00                                       | 266.78 | 180.00 |
| 2) Preparation works for steel-bonded concrete                   | 363.00                                       | 273.64 | 295.00 |
| 3) Actual work quantity  | 261.00                                       | 275.59 | 220.00 |

## 4.3 Fluctuation of Interest rate risk on loans from financial institutions

Since the company currently uses loans from financial institutions as working capital in business operations. As of December 31, 2020 and December 31, 2021, the company has short-term and long-term loans from financial institutions in the amount of 820.90 Million Baht and 838.49 Million Baht respectively. The interest rate varies according to the type of credit line received by the company. Floating Rate changes according to the cost of financial institutions and the economy, based on the central interest rate: MOR and MLR.

Such interest burden may result in the risk of changing interest rates and impacting the financial costs of the Company, considering the financial costs for the year 2020 and the year 2021 of 67.58 Million baht and 53.52 Million baht respectively. However, in the future, the Company has a plan to reduce the proportion of reliance on loans from financial institutions to a lesser extent and use working capital within the Company from the operating results to reduce the interest burden and risk of fluctuations of interest rates from loans from financial institutions.

## 5. Compliance Risk

### 5.1 Liability if the joint venture does not comply with the agreement

In some cases, the company has participated in joint ventures with external consortia, under a shared responsibility criterion, so that the company can participate in bidding and work on a particular project that require high skill workers, or when it wants to advance the qualifications and track record for bidding

The success of the operation in joint venture is important because if any party in the joint venture fails to meet its commitments or is unable to finance its part, the company may have to invest more. If the project owner has the right to claim damages for failing to comply with such commitments, the company may be jointly liable for the damage caused in the joint venture. This may result in the company being legally liable and damaging the reputation of the company and the profit margin will be reduced.

## 6. Investment Risk of Securities Holders (Investment Risk)

### 6.1 Restrictions that shareholders of the Company may be restricted in exercising their rights to purchase ordinary shares of the Company's capital increase in the future

If the company is listed on the Stock Exchange of Thailand, the company can raise capital through capital raising. The company can issue new shares in the future and allocate new shares in 3 types: allocation to existing shareholders in proportion to their shareholding (Right Offering: RO), public offering (PO) and allocation to the specific investors (Private Placement: PP) by issuing capital increase shares in the case of allocation to the public and the allocation to the private placement. The existing shareholders of the company may be restrictions on the exercise of the right to purchase the newly issued ordinary shares of the company. Since the capital increase of listed companies will have a direct impact on the shareholders' benefits and the Company's share price, the company will disclose information related to the capital increase for the shareholders and general investors to make appropriate investment decisions and in accordance with the relevant criteria.



## 3. ESG Disclosure

### Sustainability Management Goals and Policies

The Company defined missions that related to sustainability management as follows:

- To perpetuate organizational administration and development on Safety and ethics among employees with the concept of good governance towards sustainable growth
- To attach importance to potential development of human resources work in line with organizational growth
- To provide appropriate and fair benefits to shareholders and stakeholders
- To be responsible to community, society and environment

### Value Chain's Stakeholders Analysis

The Company has identified the significant stakeholders both inside and outside the organization such as shareholders, employees, customers, traders, contractors, community, and society

Summary Table Showing the Engagement Method and Treatment of Right Tunnelling Public Company Limited Stakeholders

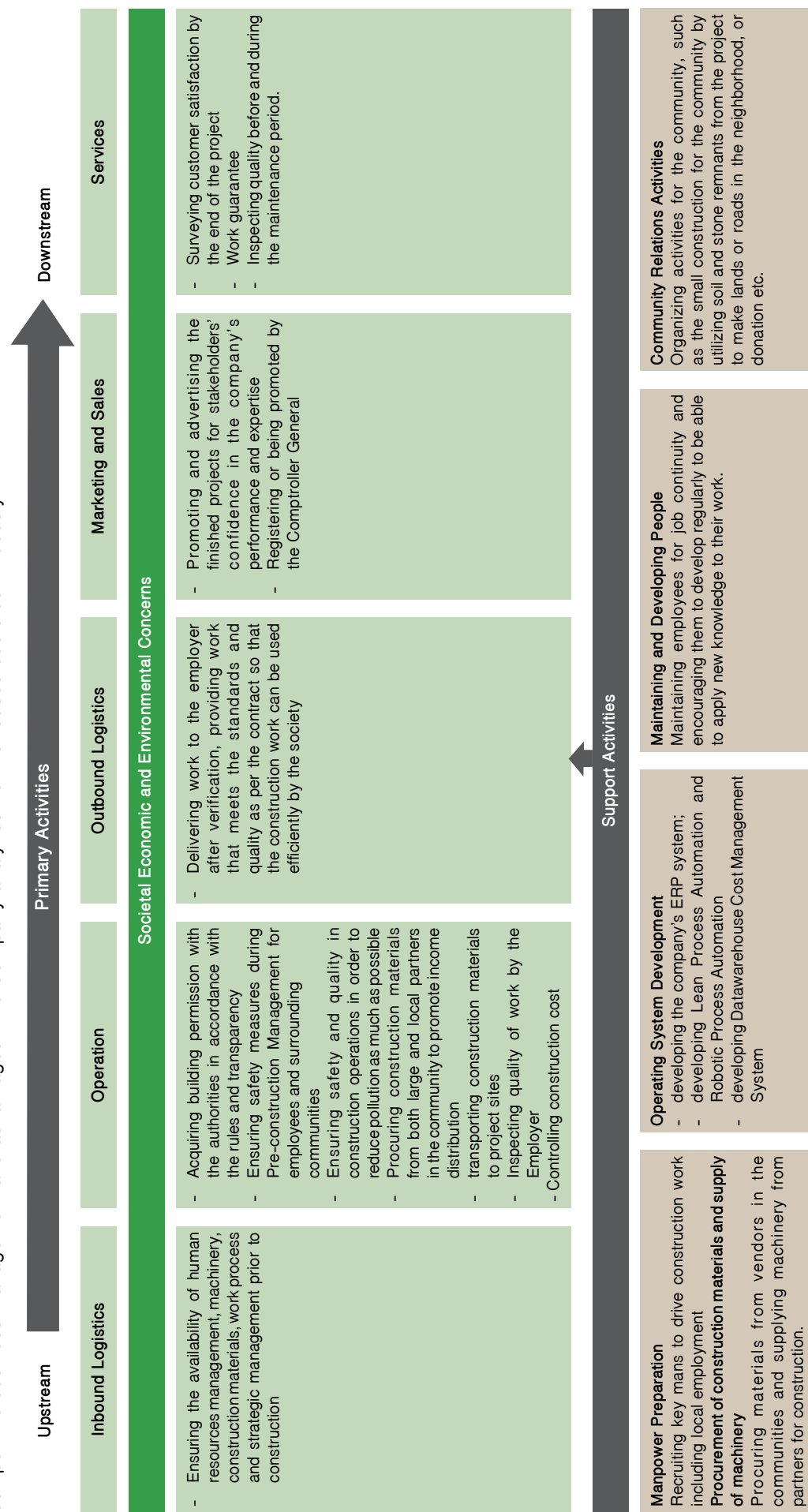
| Stakeholders  | Expectations and Concerns of the Stakeholders  | Treatment of Stakeholders  | Engagement Method  |
|---|--|--|--|
| 1. Shareholders, Investors, Analysts, and Domestic and foreign institutional investors                | <ul style="list-style-type: none"> <li>• Legal benefits</li> <li>• Shareholders' equitable treatment</li> <li>• Legal compliance in transparency, verifiable, and under good corporate governance.</li> </ul>                | <ul style="list-style-type: none"> <li>• We adhere to the various laws, rules, and regulations to ensure that the shareholders' treatment is in accordance with the principles of good governance.</li> <li>• Share information equally, with accuracy, complete, clarity, efficiency, and up to date.</li> </ul>  | <ul style="list-style-type: none"> <li>• Shareholders' Annual General Meeting (AGM)</li> <li>• Analysts' Meeting</li> <li>• Activities Roadshows and Company Visits</li> <li>• 56-1 One Report</li> <li>• Corporate Governance</li> <li>• Telephone</li> <li>• Newspaper and Media</li> <li>• Website : <a href="http://www.rtko.co.th">www.rtko.co.th</a></li> <li>• E-mail : <a href="mailto:ir@rtko.co.th">ir@rtko.co.th</a></li> </ul> |
| 2. Employees <ul style="list-style-type: none"> <li>• Monthly Staff</li> <li>• Daily Staff</li> </ul> | <ul style="list-style-type: none"> <li>• Receive appropriate compensation and welfare</li> <li>• Employees hold equal rights</li> <li>• Gain career advancement and stability</li> <li>• Safety in the work place</li> </ul> | <ul style="list-style-type: none"> <li>• Compliance with labor laws by being mindful of human rights principles and the needs of our employees</li> <li>• Providing fair and appropriate compensation</li> <li>• Establishing communication channels for our employees to make complaints in cases of unfair treatment</li> <li>• Implement efficient occupational health and safety practices</li> <li>• Puts an emphasis on the development of potential at work</li> <li>• Clarification for a common understanding and usage of rules and regulations</li> <li>• Establishing various policies for the maximum benefit of the Company and other stakeholders.</li> <li>• Control and manage the Company's operations to be in accordance with the established resolutions and policies.</li> </ul> | <ul style="list-style-type: none"> <li>• Training and seminars</li> <li>• Email</li> <li>• Notice board</li> <li>• Clarification by the supervisors</li> </ul>   |

| Stakeholders  | Expectations and Concerns of the Stakeholders   | Treatment of Stakeholders   | Engagement Method  |
|---|---|---|--|
| 3. Customers <ul style="list-style-type: none"> <li>Project owner, Government</li> <li>Private sector</li> <li>Companies in the Right Tunnelling Group</li> </ul> | <ul style="list-style-type: none"> <li>Supervise and manage in regards to occupational health and safety, and measures to control the impact that may occur to the environment.</li> <li>Having efficient and sufficient personnel for operation</li> <li>Having efficient and sufficient tools, machinery, and equipment for operation</li> <li>Possess a certain level of competency and experience in the operation of successful construction projects.</li> <li>Comprehensive technical details and prices for the construction of each type of project</li> </ul> | <ul style="list-style-type: none"> <li>Abide by the format and regulations of the bidding and contracts</li> <li>Delivering projects with quality that meets the standards and requirements</li> <li>Confidentiality for the project owner</li> <li>Projects are guaranteed within the duration specified in the construction contract</li> </ul> | <ul style="list-style-type: none"> <li>Reports/Evidence according to the regulations</li> <li>Project owner's meetings</li> <li>Telephone</li> <li>Website</li> <li>Email</li> <li>Letter</li> </ul>   |
| 4. Traders <ul style="list-style-type: none"> <li>Suppliers</li> <li>Subcontractors</li> </ul>  | <ul style="list-style-type: none"> <li>Complete payments for goods and wages punctually as per the agreed time.</li> <li>Utilize the goods and services provided by trade partners/subcontractor continuously.</li> </ul>   | <ul style="list-style-type: none"> <li>Treats all trade partners with fairness and equity.</li> <li>Has a transparent bidding standard.</li> <li>The procedures are verifiable.</li> </ul>  | <ul style="list-style-type: none"> <li>Reports on Purchasing Orders/ Contract Hiring Orders</li> <li>Meetings with contractors and retail</li> <li>Telephone</li> <li>Email</li> </ul>   |
| 5. Press <ul style="list-style-type: none"> <li>Press, TV, and Radio</li> <li>Online media</li> </ul>   | <ul style="list-style-type: none"> <li>Receive information from the company that is clear, precise, and correct.</li> <li>Receive equal amounts of information with other groups of stakeholders.</li> </ul>  | <ul style="list-style-type: none"> <li>Communicate information that is effective, beneficial, swift, accurate, and up to date.</li> <li>Treat all groups of mass media equally with other groups of stakeholders.</li> </ul>  | <ul style="list-style-type: none"> <li>Report and disseminate the company's news and information through press releases, and articles</li> <li>Give interviews and arrange meetings with the Executives in order to exchange point of views</li> <li>Email</li> <li>Telephone</li> </ul> |
| 6. Public <ul style="list-style-type: none"> <li>General public</li> <li>Users of roads and car</li> </ul>  | <ul style="list-style-type: none"> <li>Prevent accidents or negative impacts that are caused by the use of machinery and transportation of oversized equipment.</li> <li>Does not emit pollution into the environment.</li> </ul>   | <ul style="list-style-type: none"> <li>Have an assessment measure for the tools and machinery, as well as public impacts that may occur.</li> <li>Carry out construction work efficiently and deliver within the specified</li> </ul>   | <ul style="list-style-type: none"> <li>SET Websites</li> </ul>   |
| 7. Communities <ul style="list-style-type: none"> <li>Communities surrounding the construction site.</li> </ul>   | <ul style="list-style-type: none"> <li>Are not affected by the construction's side effects, including pollution such as air, dust, noise, surface water quality, or in terms of life quality and day-to-day routines.</li> <li>If there is any impact from the construction, it must be rectified as soon as possible.</li> </ul>   | <ul style="list-style-type: none"> <li>There are meetings with the community residents in order to inquire and follow up on any impacts that occur from the construction.</li> </ul>  | <ul style="list-style-type: none"> <li>Filing complaints at the construction site office</li> <li>Telephone</li> </ul>   |
| 8. Competitors <ul style="list-style-type: none"> <li>Construction companies both listed and non-listed on the Stock Exchange of Thailand.</li> </ul>             | <ul style="list-style-type: none"> <li>companies within the same industry with dishonest or illegal methods.</li> <li>Treat our competitors correctly and wish for lawful ethics.</li> <li>Non-trade discrimination policy</li> </ul>   | <ul style="list-style-type: none"> <li>Refrain from violations of intellectual assets and properties.</li> </ul>  | <ul style="list-style-type: none"> <li>Meetings through the Thai Construction Industry Association under royal patronage and other relevant departments.</li> </ul>  |

## Value Chain

In operating business, the Company is concerned with a sustainable management of value chain as it is a mean to reduce costs and create the difference in leveling up the capability and competitiveness in the industry and reduce risks in the operation.

The Company's strategies are to create quality work with on-time delivery, meet the customer's satisfaction by coordinating and cooperating, incorporated with competitive business management and advantages. The Company analyzed how to reduce costs continuously.



## Environmental Sustainability Management

The Company focus on operating the projects to have the least social and environmental impact, including wastewater treatment, dust, noise, and vibration, to meet the standard and as required by law. The Company has environmental management in every project, there are an environmental officer in each project for following up the operations. Moreover, the Company also hire a contractor to monitor the operations to reduce the environmental impact according to the employer's requirement

## Social Sustainability Management

The Company has the transparent business operations and customers fair treatment policy. Also, there is a policy for staff to have welfare, wages, safety at work, support and develop staff potential by providing training regularly.

Moreover, the Company also has the Company's administration system control to be effective, preventing conflict of interest, and anti-corruption. There are an auditor and internal auditor authorized by The Securities and Exchange Commission, Thailand (SEC) to ensure that the Company recognizes the shareholders' rights both stipulated in the law and the Company's policy, whether treating to shareholders, employees, Customers, and partner.

## Corporate Social Responsibility

The Company operates its business with the corporate social and environmental responsibility for corporate and social sustainability under the Code of Business Conduct and anti-corruption policies. The Company has determined the operation guidelines according to the organization's social responsibility principles promoted by The Stock Exchange of Thailand and there are 8 principles. 1) Business Ethics 2) Anti-Corruption 3) Respect for Human Rights 4) Fair Labor Practices 5) Consumer Liability 6) Eco-Friendly Practice 7) Participation in Social Developments 8) Green Innovation

## Corporate Social Responsibility

### Waste Sorting Activates

#### Goals:

1. To encourage employees in the Company about waste sorting knowledge
2. To reduce garbage quantity effectively prior to recycling process
3. To support and encourage waste sorting activities among employees
4. To better the living standards among the underprivileged and disabled in the community Bang Saothong, Samut Prakarn in total of 30 people



### Homes for those who are in need

#### Goals:

1. To build a good relationship with the community
2. To be part of community and social development According to business ethics and good management
3. To improve the living standards of poor people in the vicinity in total of 2 families.



## 4. Management Discussion and Analysis (MD&A)

Right Tunnelling Public Company Limited and its Subsidiaries (“the Company and its Subsidiaries”) would like to report the consolidated operating results and financial position as of 31 December 2021, reviewed by the auditor. The details are as follows:

### Financial Highlight

(Unit: Million Baht or as otherwise stated)

| Statement of Comprehensive Income           | For the year ended |                 | Change<br>(YoY%) |
|---|--------------------|-----------------|------------------|
|   | Dec 31, 2020       | Dec 31, 2021    |                  |
| Revenues from construction services         | 2,823.34           | 2,466.34        | -12.64%          |
| Sales of construction materials             | 20.72              | 6.67            | -67.79%          |
| Exchange gain                               | 1.04               | 4.09            | 292.63%          |
| Other income                                | 15.70              | 14.89           | -5.14%           |
| <b>Total revenues</b>                       | <b>2,860.80</b>    | <b>2,491.99</b> | <b>-12.89%</b>   |
| Cost of construction services               | 2,234.67           | 2,150.74        | -3.76%           |
| Cost of sales of construction materials     | 19.99              | 5.99            | -70.02%          |
| Administrative expenses                     | 245.94             | 256.49          | 4.29%            |
| Reversal allowance for expected credit loss | -                  | (18.55)         | -                |
| <b>Total expenses</b>                       | <b>2,500.59</b>    | <b>2,394.68</b> | <b>-4.24%</b>    |
| <b>Net Operating profit</b>                 | <b>360.20</b>      | <b>97.32</b>    | <b>-72.98%</b>   |
| Finance revenues                            | 3.23               | 2.04            | -36.86%          |
| Finance cost                                | (67.58)            | (53.52)         | -20.81%          |
| <b>Profit before income tax expenses</b>    | <b>295.85</b>      | <b>45.84</b>    | <b>-84.51%</b>   |
| Income tax expenses                         | (57.73)            | (4.30)          | -92.55%          |
| <b>Profit for the year</b>                  | <b>238.12</b>      | <b>41.54</b>    | <b>-82.56%</b>   |
| Gross Profit Margin (%)                     | 20.85%             | 12.80%          | -                |
| Net Profit Margin (%)                       | 8.32%              | 1.67%           | -                |

### Performance

1. **Revenues:** For the year 2021, the total revenue of the Company and its Subsidiaries was Baht 2,491.99 million, decreased by Baht 368.81 million or equivalent to 12.89 percent decrease compared to last year. Due to the effect of COVID-19 pandemic since the beginning of the year 2021 and the measures to close the worker's camp, the workers were not permitted to work as usual. The major revenue was from the construction revenue in the number of Baht 2,466.34 million, decreased by Baht 357.00 million or equivalent to 12.64 percent decrease compared to last year.

2. **Expenses:** For the year 2021, the total expense of the Company and its Subsidiaries was Baht 2,394.68 million, decreased by Baht 105.92 million or equivalent to 4.24 percent compared to last year. The major expenses were the cost of construction services in the number of Baht 2,150.74 million, decreased by Baht 83.93 million or equivalent to 3.76 percent, administrative expense in the number of Baht 256.49 million, increased by Baht 10.55 million or equivalent to 4.29 percent increase compared to last year. The change of cost of construction services compared to last year because of the difference of quantity of work and the different type of work. The increase in administrative expenses are worker expense, project support expense, and international project expense. The company also recorded reversal allowance for expected credit loss at the amount of Baht 18.55 million as the company received payment from non-performing debtor.
3. **Profitability:** The consolidated financial statements for the year 2021, showed that the Company and its Subsidiaries had the gross profit of Baht 315.61 million, decreased by Baht 273.07 million or equivalent to 46.39 percent decrease compared to last year. The gross profit margin is 12.80 percent. The net profit is at the amount of Baht 41.54 million, decreased by Baht 196.58 million or equivalent to 82.56 percent decrease. The decrease in gross profit and net profit was caused by the COVID-19 pandemic; therefore, the workers cannot work as usual and the difference of the profit structure.

## Financial Position

(Unit: Million Baht or as otherwise stated)

| Statement of Financial Position | Dec 31, 2020 | Dec 31, 2021 | Change   |        |
|---------------------------------|--------------|--------------|----------|--------|
|                                 |              |              | Amount   | %      |
| Total Assets                    | 4,050.02     | 3,915.16     | (134.86) | -3.33% |
| Total Liabilities               | 2,661.36     | 2,578.59     | (82.77)  | -3.11% |
| Total Equity                    | 1,388.66     | 1,336.56     | (52.09)  | -3.75% |

1. **Total Assets:** As of 31 December 2021, the total Assets of the Company and Subsidiaries were Baht 3,915.16 million, decreased by Baht 134.86 million from the previous year or 3.33 percent. The major changes in assets are cash and cash equivalents which decreased by Baht 281.83 million due to an increase in the repayment of trade and other payables, trade and other receivable decreased by Baht 250.29 million, contract assets - unbilled receivables increased by Baht 463.59 million which revenue was recognized in proportion of work completed and was not yet billed to customer.
2. **Total Liabilities:** As of 31 December 2021, the total Liabilities of the Company and its Subsidiaries were Baht 2,578.59 million, decreased by Baht 82.77 million from the previous year or 3.11 percent. The major changes in liabilities are trade and other payables which decreased by Baht 134.05 million due to an increase in the repayment of trade and other payables and advance receivable from hirers decreased by Baht 44.52 million which decreased accordingly to the billing of completed construction work to the customer and there is a deduction of the advance receivable. Lease liabilities increased by Baht 83.07 million which increase in accordance with the increase in asset that are leased and plan to be used in new projects.
3. **Shareholders' equity:** As of 31 December 2021, total Shareholders' equity of the Company and its Subsidiaries were Baht 1,336.56 million decreased by Baht 52.09 million from the previous year or 3.75 percent due to the dividend paid at the amount of Baht 93.50 million and comprehensive income for the year 2021 by Baht 41.41 million.

## Summary of Financial Statements

### 1. Financial Ratio

| Financial Ratio  | Unit | 2019    | 2020  | 2021     |
|--|------|---------|-------|----------|
| <b>Liquidity Ratio</b>   |      |         |       |          |
| Current ratio  | time | 0.70    | 1.05  | 1.12     |
| Quick ratio  | time | 0.18    | 0.38  | 0.14     |
| Operating Cashflow ratio   | time | (0.04)  | 0.08  | (0.07)   |
| Account Receivable Turnover ratio                                    | time | 8.15    | 5.27  | 6.37     |
| Average Collection Period  | days | 45      | 70    | 58       |
| Account Receivable Turnover ratio (Including Unbilled Receivables)   | time | 1.64    | 1.55  | 1.26     |
| Average Collection Period (Including Unbilled Receivables)           | days | 223     | 236   | 289      |
| Inventory Turnover ratio   | time | 10.56   | 11.53 | 10.74    |
| Average Sale Period  | days | 35      | 32    | 34       |
| Account Payable Turnover ratio                                       | time | 3.82    | 3.34  | 3.25     |
| Average Payment Period   | days | 96      | 110   | 112      |
| Cash Cycle   | days | (16)    | (8)   | (20)     |
| Cash Cycle (Average Collection Period Including Unbilled Receivable) | days | 162     | 158   | 211      |
| <b>Profitability Ratio</b>   |      |         |       |          |
| Gross Profit Margin  | %    | 17.75   | 20.85 | 12.80    |
| Operating Profit Margin  | %    | 9.75    | 12.76 | 3.95     |
| Other Profit Margin  | %    | 0.13    | 0.11  | 0.08     |
| Cashflow from Operating/EBIT   | %    | (46.34) | 57.13 | (166.30) |
| Net Profit Margin  | %    | 5.53    | 8.32  | 1.67     |
| Return on Equity   | %    | 25.03   | 24.10 | 3.05     |
| <b>Efficiency Ratio</b>  |      |         |       |          |
| Return on Assets   | %    | 3.88    | 6.12  | 1.04     |
| Return on Fix Assets   | %    | 39.23   | 49.59 | 24.64    |
| Total Asset Turnover   | time | 0.70    | 0.74  | 0.63     |
| <b>Financial Policy Ratio</b>  |      |         |       |          |
| Debt to Equity ratio   | time | 5.35    | 1.92  | 1.93     |
| Interest Coverage ratio  | time | 6.79    | 8.13  | 4.75     |
| Interest bearing debt to EBITDA ratio                                | time | 2.91    | 2.02  | 4.91     |
| Debt Service Coverage - Cash Basis                                   | time | 0.37    | 0.56  | 0.25     |
| Dividend Payout ratio  | %    | 0.00    | 39.27 | 37.07    |

## 5. Corporate Information and Other Information

### 5.1 References

|                          |   |   |
|--------------------------|---|---|
| Register of Common Stock | : | Thailand Securities Depository Co., Ltd. ("TSD")<br>93 The Stock Exchange of Thailand Building, Rachadapisek Road, Bangkok 10400, Thailand<br>Telephone: 02-009-9000<br>Fax: 02-009-9991                                  |
| Auditor                  | : | EY Office Limited ("EY")<br>193/136-137 Lake Rajada Office Complex 33 <sup>rd</sup> floor<br>Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand<br>Telephone: 02-264-0777, 02-661-9190<br>Fax: 02-264-0789-90          |
| Internal Auditor         | : | IVL Auditing Co., Ltd. ("IVL")<br>35 Soi Wachiradhammasatit 36, Sukumvit 101/1 road,<br>Bangchak, Prakanong,<br>Bangkok 10260, Thailand<br>Telephone: 02-746-4861-3<br>Fax: 02-746-4569                                   |
| Legal Advisor            | : | Legal Advisory Council Limited Company ("LACL")<br>444 Olympia Thai Tower, 16 <sup>th</sup> Floor, Ratchadapisek Road, Samsennork, Huaykwang,<br>Bangkok 10310, Thailand<br>Telephone: 02-512-5938-40<br>Fax: 02-512-6091 |
| Financial Advisor        | : | Asset Pro Management Co., Ltd. ("APM")<br>999/9 The Offices at Central World 10 <sup>th</sup> Fl.,<br>Rama I Road, Patumwan, Bangkok 10330<br>Telephone: 02-264-5678<br>Fax: 02-264-5679                                  |

# Corporate Governance



## 6. Corporate Governance Policy

The company complies with the Good Corporate Governance Policy by publishing several types of information for the shareholders, investors, and stakeholders' decision, through various channels such as posts and the Electronic Company Information Disclosure system ("ELCID") of the Stock Market Exchange of Thailand ("SET"). According to the Board of Directors' resolution, Corporate Governance Code, promoted by SET, has been approved, in concern with transparency in all operational levels; namely, the Board of Directors, executives, and employees for the best interests of shareholders, customers, investors, and the public in long term. The Code of Business Ethics and Code of Conduct are used as guideline of duties of directors and executives in accordance with Code of Best Practice and Good Corporate Governance by SET.

More information on Corporate Governance is available at Right Tunnelling Company Limited's website: [www.rtco.co.th](http://www.rtco.co.th) - Corporate Governance.

The board demonstrated a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, and ensured that all directors and executives perform their responsibilities in compliance with their fiduciary duties; duty of care, duty of loyalty, and that the company operates in accordance with applicable law and standards. The board is responsible for the implementation of adequate systems and controls to ensure that the company complies with applicable law and standards for specified matters, including material investment, related party transaction, acquisition/disposal of assets, and dividend payment decisions.

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## 7.1 Board of Directors

The members of the Board of Directors are 12 persons as follows:

| Name-Surname |               |                    | Position   |
|--------------|---------------|--------------------|--|
| 1.           | Dr. Songpope  | Polachan           | Chairman of the Board / Independent Director           |
| 2.           | Mr. Chawalit  | Tanomtin           | Director / Deputy Chairman of the Board                |
| 3.           | Mr. Suraksak  | Seekhiew           | Director   |
| 4.           | Mr. Chaiya    | Wonglappanich      | Director   |
| 5.           | Mr. Teerayut  | Chusilp            | Director   |
| 6.           | Mr. Suraphong | Iamchula           | Director   |
| 7.           | Dr. Krayim    | Santrakul          | Director   |
| 8.           | Mr. Nattapong | Poome              | Director   |
| 9.           | Dr. Boonthep  | Nanegrungsunk      | Chairman of the Audit Committee / Independent Director |
| 10.          | Mr. Thanapat  | Pupat              | Member of the Audit Committee / Independent Director   |
| 11.          | Mr. Chaiwut   | Jumnongsutasathien | Member of the Audit Committee / Independent Director   |
| 12.          | Mr. Jumpot    | Kanjanapanyakom    | Independent Director                                   |

Mrs. Pornthip Kongsangbhat was appointed as a Company Secretary.

### Authorized Directors

The Authorized Directors consisted of: Mr. Chawalit Tanomtin or Mr. Chaiya Wonglappanich or Mr. Teerayut Chusilp or Mr. Surasak Seekhiew, any two of these directors jointly sign with the Company's seal affixed.

For scope of duties and responsibilities of the Board of Directors, please see the Company's website: [www.rtco.co.th](http://www.rtco.co.th) - Corporate Governance, for review.

## 7.2 Subcommittees

The Board of Directors' structure is comprised of 4 subcommittees as follows: Audit Committee, Executive Committee, Nomination and Remuneration Committee, and Corporate Governance and Risk Management Committee. According to the Board of Directors' resolution, the approval of scope of duties and responsibilities of 4 subcommittees are as follows:

### 7.2.1 Audit Committee

Audit Committee consists of 3 persons as follows:

| Name-Surname                   | Position                    |
|--------------------------------|-----------------------------|
| Dr. Boonthep Nanengrungsunk    | Chairman of Audit Committee |
| Mr. Chaiwut Jumnongsutasathien | Auditing Director           |
| Mr. Thanapat Papat             | Auditing Director           |

For scope of duties and responsibilities of Audit Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 7.2.2 Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 4 persons as follows:

| Name-Surname                | Position  |
|-----------------------------|---|
| Mr. Jumpsot Kanjanapanakorn | Chairman of Nomination and Remuneration Committee |
| Mr. Thanapat Papat          | Nomination and Remuneration Director              |
| Mr. Chawalit Tanomtin       | Nomination and Remuneration Director              |
| Mr. Teerayut Chusilp        | Nomination and Remuneration Director              |

For scope of duties and responsibilities of the Nomination and Remuneration Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 7.2.3 Corporate Governance and Risk Management Committee

Corporate Governance and Risk Management Committee consists of 4 persons as follows:

| Name-Surname             | Position   |
|--------------------------|--|
| Mr. Suraphong Iamchula   | Chairman of Corporate Governance and Risk Management Committee |
| Mr. Chawalit Tanomtin    | Corporate Governance and Risk Management Director              |
| Mr. Surasak Seekhiew     | Corporate Governance and Risk Management Director              |
| Mr. Chaiya Wonglappanich | Corporate Governance and Risk Management Director              |

For scope of duties and responsibilities of the Corporate Governance and Risk Management Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

### 7.2.4 Executive Committee

Executive Committee consists of 6 persons as follows:

| Name-Surname             | Position                        |
|--------------------------|---------------------------------|
| Mr. Chawalit Tanomtin    | Chairman of Executive Committee |
| Mr. Surasak Seekhiew     | Executive Director              |
| Mr. Teerayut Chusilp     | Executive Director              |
| Mr. Chaiya Wonglappanich | Executive Director              |
| Mr. Wiwat Nualnok        | Executive Director              |
| Mr. Koson Kongdaeng      | Executive Director              |

For scope of duties and responsibilities of the Executive Committee, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

## 7.3 Management Team

### Management Team

Management Team consist of 11 persons as follows:

| Name-Surname              | Position  |
|---------------------------|---|
| Mr. Chawalit Tanomtin     | Chief Executive Officer                             |
| Mr. Surasak Seekhiew      | Managing Director                                   |
| Mr. Teerayut Chusilp      | Deputy Managing Director for Organization & Legal   |
| Mr. Chaiya Wonglappanich  | Deputy Managing Director for Management and Finance |
| Mr. Wiwat Nualnok         | Deputy Managing Director for Engineering            |
| Mr. Koson Kongdang        | Deputy Managing Director for Operation 1            |
| Mr. Nawin Pongkaew        | Deputy Managing Director for Operation 2            |
| Mrs. Mechaya Kaewduangdee | Deputy Managing Director for Business Development   |
| Mr. Charlie Pungpanichkul | Assistant to Managing Director for Operation        |
| Mr. Panat Kungsuwan       | Assistant to Managing Director for Engineering      |
| Mr. Poramate Mashima      | Accounting Manager                                  |

For scope of duties and responsibilities of Chief Executive Officer, Managing Director, please see the Company's website: [www.rtco.co.th](http://www.rtco.co.th) - Corporate Governance, for review.

## 7.4 Company Secretary and the person assigned to be directly responsible for Accounting Supervision

### Company Secretary

In response to the Securities and Exchange Act (Article 89/15 and 89/16), Mrs. Pornthip Kongsangbhat was appointed as Company Secretary. Her work experience is as follows:

- 2015 - present      Company Secretary at Right Tunnelling Public Company Limited
- 2009 - 2015      Secretary to Chief Executive officer / Managing Director at Right Tunnelling Company Limited

For scope of duties and responsibilities of Company Secretary, please see the Company's website: [www.rtco.co.th](http://www.rtco.co.th) - Corporate Governance, for review.

### The person assigned to be directly responsible for Accounting Supervision

The person assigned to be directly responsible for Accounting Supervision is Mr. Poramate Mashima, Accounting Manager, graduated with Master's Degree in Accounting, Chulalongkorn University, Master's Degree in Business Administration, Kasetsart University, and Bachelor Degree in Accounting, Ramkhamhaeng University. His work experience is as follows:

- August 1, 2011 - present      Accounting Manager at Right Tunnelling Public Company Limited
- 2004 - 2010      Chief of Internal Audit Division at GMM Grammy Public Company Limited
- 1994 - 2004      Senior Internal Audit at True Corporation Public Company Limited
- 1993 - 1994      Internal Audit Officer - International at Bangkok Bank Public Company Limited

Please see Appendix 1 Biographies of Directors for review.

## Internal Auditor

Please see Appendix 3 Internal Auditor for review.

## 7.5 Human Resources

### 7.5.1 Number of employees (excluding Executives)

As of December 31, 2021, the Company and its Subsidiaries have total of 2,326 employees. The figures from each department as of December 31, 2019 - 2021 are as follows:

| Department                        | December 31, 2019 | December 31, 2020 | December 31, 2021 |
|-----------------------------------|-------------------|-------------------|-------------------|
|                                   | Amount (Person)   | Amount (Person)   | Amount (Person)   |
| <b>Permanent</b>                  |                   |                   |                   |
| Operation                         | 2,050             | 2,206             | 1,113             |
| Management                        | 6                 | 11                | 11                |
| The Office of Company Secretary   | -                 | 3                 | 2                 |
| Accounting Department             | 15                | 13                | 13                |
| Financial Department              | 4                 | 7                 | 6                 |
| Business Development Department   | 8                 | 8                 | 9                 |
| Administration Department         | 8                 | 8                 | 9                 |
| Human Resources Department        | 6                 | 6                 | 7                 |
| Engineering Department            | 20                | 14                | 16                |
| Purchasing Department             | 9                 | 9                 | 9                 |
| Mechanical Engineering Department | 61                | 22                | 30                |
| Contract Management Department    | 1                 | 1                 | 3                 |
| Warehouse & Logistics Department  | 18                | 18                | 18                |
| <b>Temporary</b>                  |                   |                   |                   |
| Operation                         | -                 | -                 | 1,088             |
| <b>Total</b>                      | <b>2,206</b>      | <b>2,326</b>      | <b>2,334</b>      |

Source: From Human Resources and Administration Department of Right Tunnelling Public Company Limited

As of December 31, 2020, the Company and its Subsidiaries have total of 2,326 employees (excluding Executives). The figures of Daily Paid Employees and Monthly Paid Employees (Permanent) as of December 31, 2017-2021 are as follows:

| Number of Employees                      | December 31, 2019 | December 31, 2020 | December 31, 2021 |
|--|-------------------|-------------------|-------------------|
|  | Amount (Person)   | Amount (Person)   | Amount (Person)   |
| <b>Monthly Paid Employee (Permanent)</b> |                   |                   |                   |
| Thai National                            | 954               | 991               | 1,107             |
| Laos National                            | 35                | 34                | 19                |
| Myanmar National                         | -                 | 0                 |                   |
| Cambodia National                        | -                 | 1                 | 1                 |
| <b>Daily Paid Employees (Temporary)</b>  |                   |                   |                   |
| Thai National                            | 997               | 1,136             | 1,088             |
| Laos National                            | 37                | 8                 | 2                 |
| Myanmar National                         | 183               | 156               | 117               |
| <b>Total</b>                             | <b>2,206</b>      | <b>2,326</b>      | <b>2,334</b>      |

## 7.5.2 Employees' Compensation

(Unit: Million Baht)

| Employees' Compensation  | 2019   | 2020   | 2021   |
|--|--------|--------|--------|
| Employees' Compensation is in form of: salaries, bonuses, over-time pay, social securities, compensation fund, provident fund, and other welfares. | 519.36 | 540.41 | 614.16 |

Source: From Human Resources and Administration Department of Right Tunnelling Public Company Limited

Remarks: The Company has established a provident fund, MFC Master Fund on February 28, 2005, organized by MFC Assets Management, effective date since February 28, 2005.

## 7.5.3 Employees' Turnover Rate

The Company keeps track of Employees' turnover rate in order to monitor and assess the potential of organization, to retain the competent employees. The main reason of employee's resignation is the needs of running their own businesses. Therefore, the turnover rate of the employee of 2021 is at 7.55 percent.

## 7.5.4 Major Labor Dispute over the last 3 years

- None -

### 7.5.5 Human Resources Management Policy

The Company realizes the importance and values the humans as an important resource. The Company is committed to continuous human resources development by selecting the personnel with knowledge, professional competence to work, giving opportunities to train, to experience, and to develop their potentials into experts in their respective fields. Especially, it is focused on team collaboration together with the concept of Corporate Governance. The Company shall support and manage human resources in accordance with the policies, business goals, and strategies. The Annual Training is set on both internal and external courses. This is to ensure that the employees acquire the knowledge and competency to be able to work with their fullest potentials, and develop the organization towards the sustainable growth. Several welfares are also provided to the employees as an encouragement and incentives.

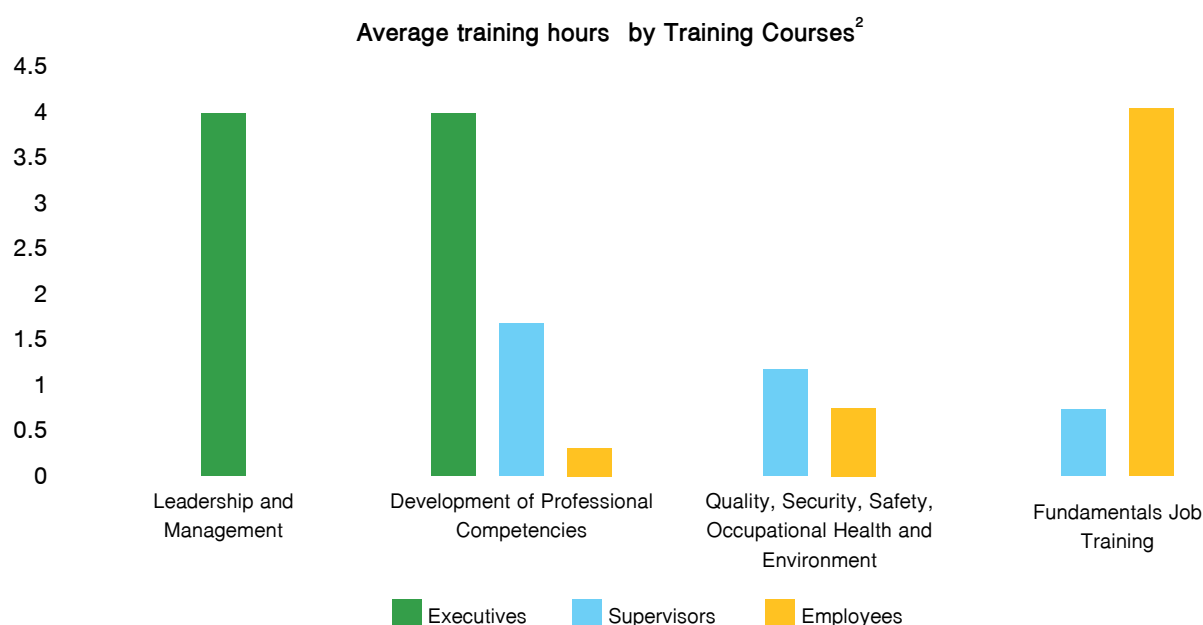
### 7.5.6 Summary of Employees' Training of 2021 (including Executives)

In the aspect of training and human resources development, the Company has started since the process of surveying the training needs, and provide them training courses as well as monitor and evaluate the training results. Such process is used for human resource development in all positions and consistent with the organization's goals.

#### Average training hours per employee per year

| Training Course  | Average by employee level <sup>1</sup> |                          |           |
|--|--|--------------------------|-----------|
|  | Executives                             | Managers and Supervisors | Employees |
| Leadership and Management                                      | 3.2                                    | 0                        | 0         |
| Development of Professional Competencies                       | 4                                      | 1.68                     | 0.32      |
| Quality, Security, Safety, Occupational Health and Environment | 0                                      | 1.18                     | 0.76      |
| Fundamentals of On-the-Job Training                            | 0                                      | 0.75                     | 4.05      |

<sup>1</sup> Average training hours by Employee Level (Hour/Level/Year)



<sup>2</sup> Average training hours by Training Courses (Hours/Level/Year)

## 8. Highlights of Corporate Governance

### 8.1 Nomination and Appointment of Directors and Executive Directors

The process of nomination and appointment of directors and executive directors is that the designated person to be appointed as directors or executive directors shall be deemed to qualified in accordance with Section 68 of the Public Companies Act B.E. 2535 and the announcement of Capital Market Supervisory Board (CMSB) (Tor Jor 39/2559 Re: Application for Approval and Granting of Approval for Offer for Sale of Newly Issued Shares dated September 30, 2016 with composition and recruitment criteria. Please see the Company's website: [www.rtko.co.th](http://www.rtko.co.th) - Corporate Governance, for review.

In 2021, the Company had invited all shareholders to propose the agendas and director nominees in advance for the Annual General Meeting of Shareholders for the year 2022 from September 1, 2021 to December 31, 2021, in total of 4 months.

### 8.2 Corporate Governance (the Company and its Subsidiaries)

In supervising its subsidiaries, representatives from the Company shall be appointed as a director in the subsidiary company. The representative director perhaps is the Chairman of the Board of Director, Director, Chief Executive Officer, Managing Director, Executive Director or any others whose qualification and expertise are suitable for business operation and entirely devoid of any conflict of interest in that company and its subsidiaries. Furthermore, the representative director in the subsidiary company must ensure that the administration and management are in compliance with laws, regulations, and the Delegation of Authority of the Company.

In order to maintain the interest of the Company's investment, and allow the Company to properly supervise the administration and management as though it was a company agency. Therefore, the Board of Directors' Meeting has approved the Corporate Governance Policy of The Company and its subsidiaries. The details are as follows:

#### 1. Management Control of the Subsidiaries and Associated Companies Policy

The determination of guidelines of exercising of voting rights of the Company's representative in the meeting of shareholders of the subsidiary company and associated companies: the nomination and Remuneration of directors, appointment of external auditors, allocation of net profit, and any other matters which are not set in advance on the agenda. Any determination or setting is required the approval from the Board of Director's Meeting or the meeting of shareholders (depending on the case). In addition, performance tracking of the subsidiaries and associated companies is ensured the business's operation is being prosecuted in accordance with the plan including the disclosure of the Related Party Transaction of the subsidiary company, the evaluation of adequacy of the internal control system, the disclosure of information of directors and their related persons, and oversight of inside information.

#### 2. Financial Control Policy of Subsidiaries and Associated Companies

Subsidiaries and associated companies are set to report the Company their operating performance and quarterly financial statements as well as relevant documents in regards to financial reports for the preparation of the consolidated financial statements and quarterly operational performance report. Subsidiaries and associated companies are also requested to report any financial issues that are significant to the Company when detected or when requested by the Company to conduct an investigation.

Besides, directors are responsible to continuously track: the operational performance of the subsidiaries and associated companies in accordance with the budget: the disclosure of Related Party Transaction and Acquisition and Disposition of Assets as per the announcement of Capital Market Supervisory Board (CMSB) and Board of Directors of the Stock Exchange of Thailand.

### 8.3 Oversight of Inside Information

According to the Board of Directors' Meeting's resolution, Inside Information Usage Policy is approved. This is to prevent any designated persons from using inside information for their personal/other's benefits. The details are as follows:

1. Directors, executives, and employees of the Company shall adhere to procedures as follows:
  - A) Must maintain confidentiality and/or inside information of the Company
  - B) Must not disclose the confidentiality and inside information of the Company or serving one's own interest or other's either directly or indirectly, and whether or not it will be rewarded.
  - C) Must not trade or transfer of the Company's shares by using confidentiality and/or inside information, and/or enter into any act using confidentiality and/or inside information of the Company which may cause damage to the Company either directly or indirectly.

Moreover, directors, executives, and employees of the Company whose department received or acknowledged inside information of the Company are not permitted to trade or transfer the Company's shares within 1 month before the disclosure of company's financial statements to the public. These measures include their spouses, cohabitation partners and minor children under legal age including legal entities of directors, executives, and employees of the Company. Any violation, shall be considered a serious offence

2. Directors and executives of the Company must report any changes in their RT ownership including spouses, cohabitation partners, minor children under legal age, and legal entities to the Securities and Exchange Commission ("SEC") under Article 59 of the Securities and Exchange Act B.E. 2535 (1992), and must acknowledge penalties of the Securities and Exchange Act B.E. 2535 (1992). Furthermore, directors and executives must submit a copy of the report to the Company within the same day as report to SEC was submitted Which they are required to notify within three days of the dates of sale, purchase, disposal, or receipt of such shares.
3. the Company has enforced and announced this regulation to its directors, executives, employees.

### 8.4 Remuneration for Auditor

In 2021, the Company and its Subsidiaries have paid the audit fee (excepted 1 subsidiary company in Myanmar) for the consolidated financial statement to EY Office Limited who was appointed as the Company's external auditor. The details are as follows:

Unit : Baht

| Audit Fee                                     | 2020      | 2021      |
|---|-----------|-----------|
| Audit fee of the Company and its subsidiaries | 2,900,000 | 2,900,000 |
| Non-Audit Fee                                 | -         | -         |
| Total   | 2,900,000 | 2,900,000 |

Right Tunneling Myanmar Company Limited, a subsidiary company has paid the audit fee of the Company's subsidiary in the amount of USD 2,150, or approximately Baht 66,400 to KAMP Accounting & Corporate Service.

## 8.5 Summary of Board of Directors' Meeting Attendance in 2021

(Unit: Total attendance time per total meetings)

| Names of Directors |                    | 2021              |                   |   |                                      |
|--------------------|--------------------|-------------------|-------------------|---|--------------------------------------|
|                    |                    | Board of Director | Auditing Director | Corporate Governance and Risk Management Director | Nomination and Remuneration Director |
| 1. Dr. Songpope    | Polachan           | 8/8               | -                 | -   | -                                    |
| 2. Mr. Chawalit    | Tanomtin           | 8/8               | -                 | 5/5   | 2/2                                  |
| 3. Mr. Surasak     | Seekhiew           | 8/8               | -                 | 5/5   | -                                    |
| 4. Mr. Chaiya      | Wonglappanich      | 8/8               | -                 | 5/5   | -                                    |
| 5. Mr. Teerayut    | Chusilp            | 8/8               | -                 | -   | 2/2                                  |
| 6. Mr. Suraphong   | Iamchula           | 8/8               | -                 | 5/5   | -                                    |
| 7. Dr. Krayim      | Santrakul          | 8/8               | -                 | -   | -                                    |
| 8. Mr. Natthapong  | Poome              | 8/8               | -                 | -   | -                                    |
| 9. Dr. Boonthep    | Nanegrungsunk      | 8/8               | 5/5               | -   | -                                    |
| 10. Mr. Thanapat   | Pupat              | 8/8               | 5/5               | -   | 2/2                                  |
| 11. Mr. Chaiwut    | Jumnongsutasathien | 8/8               | 5/5               | -   | -                                    |
| 12. Mr. Jumpot     | Kanjanapunyakom    | 8/8               | -                 | -   | 2/2                                  |

Source: From the Office of Company Secretary, Right Tunneling PCL

## 8.6 Remuneration for Directors and Executives

Nomination and Remuneration of Directors Policy is approved by the Board. This is as an incentive that will drive the organization towards both short-term and long-term goals. The Company is certain that Director's Remuneration Rate is competitive compared to others in the same industry; therefore, the Company is able to maintain the competent directors. Their duties and responsibilities in the business are appropriate to the Remuneration in accordance with market norm and other listed companies in the same industries. The appropriateness of duties and responsibilities are also in part of the consideration by the Nomination and Remuneration Committee. They are responsible for nominating and remunerating for directors, subcommittees, Chief Executive Officer, Managing Director. Besides, the remuneration of directors is proposed to the Board of Directors, then to the Annual General Meeting of Shareholders annually.

For the Nomination and Remuneration of Directors Policy, please see the Company's website: [www.rtc.co.th](http://www.rtc.co.th) - Corporate Governance, for review.

## 8.6.1 Remuneration of Directors

### 1) Remuneration of the Board of Directors

The Annual General Meeting of Shareholders for the year 2021 on June April 23, 2021 have approved the remuneration of directors which shall not exceed Baht 6,262,500, divided into 2 sections i.e., the attendance fee of Baht 2,802,500 and the annual remuneration of Baht 3,460,000. The details are as follows:

#### 1.1) Meeting Allowance for Directors

| Position   | Meeting Allowance in 2020   |
|--|-----------------------------|
| <b>Boad of Director</b>  |                             |
| - Chairman of the Board of Directors                             | 25,000 Baht / person / time |
| - Director   | 16,500 Baht / person / time |
| <b>Audit Committee</b>   |                             |
| - Chairman of Audit Committee                                    | 20,000 Baht / person / time |
| - Auditing Director  | 16,000 Baht / person / time |
| <b>Nomination and Remuneration Committee</b>                     |                             |
| - Chairman of Nomination and Remuneration Committee              | 20,000 Baht / person / time |
| - Nomination and Remuneration Director                           | 16,000 Baht / person / time |
| <b>Corporate Governance and Risk Management Committee</b>        |                             |
| - Chairman of Corporate Governance and Risk Management Committee | 20,000 Baht / person / time |
| - Corporate Governance and Risk Management Director              | 16,000 Baht / person / time |

Remarks: - Executive Committee are not eligible for Meeting Allowance.

Besides, the Board of Directors' Meeting No.1/2020 on February 2020 has approved to propose the remuneration of directors at the amount (not exceeding) 6,262,500 Baht.

#### 1.2) Annual Remuneration of Directors

| Position                  | 2021                       |
|---------------------------|----------------------------|
| <b>Board of Directors</b> |                            |
| - Chairman of the Board   | 380,000 Baht/ person/ year |
| - Director                | 280,000 Baht/ person/ year |

Remarks: - In case the director does not taking an office for full year, the remuneration is to be averaged in accordance with the period of holding the position.

## Summary of Remuneration of Directors in 2021 - 2022

(Unit: Baht)

| Names                              | 2020               |                   |   |                                      | 2021                |                |   |                                      |
|------------------------------------|--------------------|-------------------|---|--------------------------------------|---------------------|----------------|---|--------------------------------------|
|                                    | Total Remuneration | Auditing Director | Corporate Governance and Risk Management Director | Nomination and Remuneration Director | Annual Remuneration | Total Director | Corporate Governance and Risk Management Director | Nomination and Remuneration Director |
| 1. Dr. Songpope Polachan           | 655,000            | -                 | -   | -                                    | 580,000             | -              | -   | -                                    |
| 2. Mr. Chawalit Tanomtin           | 461,500            | -                 | 96,000  | 48,000                               | 412,000             | -              | 80,000  | 32,000                               |
| 3. Mr. Surasak Seekhiew            | 461,500            | -                 | 96,000  | -                                    | 412,000             | -              | 80,000  | -                                    |
| 4. Mr. Chaiya Wonglappanich        | 461,500            | -                 | 96,000  | -                                    | 412,000             | -              | 80,000  | -                                    |
| 5. Mr. Teerayut Chusilp            | 461,500            | -                 | -   | 48,000                               | 412,000             | -              | -   | 32,000                               |
| 6. Mr. Suraphong Iamchula          | 461,500            | -                 | 120,000   | -                                    | 412,000             | -              | 100,000   | -                                    |
| 7. Dr. Krayim Santrakul            | 461,500            | -                 | -   | -                                    | 412,000             | -              | -   | -                                    |
| 8. Mr. Natthapong Poome            | 461,500            | -                 | -   | -                                    | 412,000             | -              | -   | -                                    |
| 9. Dr. Boonthep Nanegrungsunk      | 461,500            | 120,000           | -   | -                                    | 412,000             | 100,000        | -   | -                                    |
| 10. Mr. Thanapat Pupat             | 461,500            | 96,000            | -   | 60,000                               | 412,000             | 80,000         | -   | 32,000                               |
| 11. Mr. Chaiwut Jumnongsutasathien | 461,500            | 96,000            | -   | -                                    | 412,000             | 80,000         | -   | -                                    |
| 12. Mr. Jumpot Kanjanapunyakom     | 461,500            | -                 | -   | 48,000                               | 412,000             | -              | -   | 40,000                               |

Remarks: Total Remuneration consists of Meeting Allowance and Annual Remuneration of Directors

## 2) Remuneration of Executive Directors

The Company pays the remuneration of executive directors in forms of: salaries, bonuses, and other welfares such as post-employment benefits.

| Remuneration of Executive Directors   | 2019            |                       | 2020            |                       | 2021            |                       |
|---|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|   | Amount (Person) | Amount (Million Baht) | Amount (Person) | Amount (Million Baht) | Amount (Person) | Amount (Million Baht) |
| Salaries, bonuses, post-employment benefits, social securities, life-insurance premium, travel expenses, telephone expenses | 6               | 17.29                 | 7               | 21.90                 | 9               | 26.84                 |

Remarks: The Company has established a provident fund, MFC Master Fund on February 28, 2005, organized by MFC Assets Management, effective date since February 28, 2005.

Source: Human Resources and Administration Department

### 8.6.2 Non-monetary Compensation

The Company rewarded the non-monetary compensation to executive directors. The details of executive directors' provident funds are as follows:

| Remuneration of Executive Directors | 2019            |                       | 2020            |                       | 2021            |                       |
|-------------------------------------|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|                                     | Amount (Person) | Amount (Million Baht) | Amount (Person) | Amount (Million Baht) | Amount (Person) | Amount (Million Baht) |
| Provident Funds                     | 6               | 1.37                  | 7               | 1.53                  | 7               | 1.70                  |

## 8.7 Reports of Executive Committee

The Board of Directors of Right Tunnelling Public Company Limited approved the appointment of Executive Committee with the responsibility to supervise the operational management in accordance with policies determined by the Board of Directors with awareness and consideration of the best interests of stakeholders and investors appropriately and fairly in concerns with good corporate governance.

The Executive Committee were 6 persons as follows:

- |    |                          |                                 |
|----|--------------------------|---------------------------------|
| 1. | Mr. Chawalit Tanomtin    | Chairman of Executive Committee |
| 2. | Mr. Surasak Seekhiew     | Executive Director              |
| 3. | Mr. Teerayut Chusilp     | Executive Director              |
| 4. | Mr. Chaiya Wonglappanich | Executive Director              |
| 5. | Mr. Wiwat Nualnok        | Executive Director              |
| 6. | Mr. Koson Kongdang       | Executive Director              |

In 2021, the Executive Committee had total of 48 meetings. These were to supervise and monitor the performance of the operation closely and strictly in order to achieve the most efficient performance. The summary is as follows:

1. Supervised the operational management of the Company in concerns with the policies given by the Board of Directors, and reported the results to the Board of Directors.
2. Considered approving the business plan to be suitable and profitable, and reported to the Board of Directors.
3. Considered the annual budget and budget spending to propose to the Board of Directors, and supervise the spending in accordance with budget approved by the Board of Directors.
4. Provided sufficiently important information for the consideration and better decision making to the Board of Directors and investors including prepared the reliable financial reports according to the standards and transparency.
5. Ensured a proper procedure for employees to report any unusual incidents, action, or offences to the Executive Committee in timely manner.
6. Considered the Company's profit and loss and propose the allocation of dividend payment to the Board of Directors.
7. Prepared the Succession Plan in order to prepare the successors for the position of Chief Executive Director, Managing Directors, and executives. Moreover, ensured that Managing Director had reported the Board of Directors a Succession Plan once a year.

(Mr. Chawalit Tanontin)

Chairman of Executive Committee

## 8.8 Reports of Corporate Governance and Risk Management Committee

Corporate Governance and Risk Management Committee of Right Tunnelling Public Company Limited was appointed by the Board of Directors on June 17, 2020. In the present, the committee is comprised of 4 competent directors with the experience on Corporate Governance and Risk Management as follows:

1. Mr. Suraphong Iamchula Chairman of the Corporate Governance and Risk Management Committee
2. Mr. Chawalit Tanomtin Director
3. Mr. Surasak Seekhiew Director
4. Mr. Chaiya Wonglappanich Director

In 2021, the Corporate Governance and Risk Management Committee had total of 5 meetings, and the committee has performed the duties as assigned by the Board of Directors as follows:

- Established the Corporate Governance Policy that covers the principles of Good Corporate Governance as well as guidelines to create transparency, responsibility, and credibility to the investors, and stakeholders for long-term benefits of the business.
- Established plans to prevent and reduce risks, evaluated, prepared the Risk Management Report, and controlled the risk of the Company within the acceptable limit. This also includes the responsibility to consider, examine, and present the policies and practices of Risk Management in all aspects involving in business operation to be appropriate and efficient. Provided guidance for Risk Management of the complex project finance to support the decisions of the Board of Directors or the Management. Reviewed the financial risk management report and provide comments and recommendations. Furthermore, considered and commented the operational risk which consists of safety, occupational health, and environmental risks. This is to ensure that risk management measures are sufficient to protect lives, properties, business as well as stakeholders. As a result, there was a small impact of COVID-19 outbreak on the operation at the office and project sites in 2021.
- Considered and commented the risk management of Information System to efficiently stabilize the Company's operation as well as suggested the implementation of technological innovation in applying with the Company's operation to reduce risks.

In addition, Corporate Governance and Risk Management Committee has performed their duties as signed by the Board of Directors in their fullest potential, and is committed to ensure that the overall operation is under the supervision and enterprise-wide risk management with continuous efficiency and improvement according to the Good Corporate Governance as well as any laws and regulations in relevant to the business continuity for the best interest of the Company, investors, and stakeholders.

Mr. Suraphong Iamchula  
Chairman of Corporate Governance and Risk  
Management Committee

## Corporate Governance

### 1. Conflict of Interest

The Company has Conflict of Interest Policy which is considered important. It is to maintain the maximum benefits of the Company and investors. The procedures are as follows:

#### Conflict of interest Policy

The Company has Conflict of Interest Policy which is considered important. It is to maintain the maximum benefits of the Company and investors. The procedures are as follows:

- 1) The Board of Directors and Executives must carefully consider any conflict of interest of the related party transaction among the Company, its subsidiaries, and associated companies with integrity. The consideration is made with rations and independence with highest concern of the Company.
- 2) In the event that the related party transaction is supposed to be disclosed or initially approved by the shareholders. The Company must make sure that the relevant information is adequately disclosed to the shareholders, for instance, names, relationship of the connected person, pricing and transaction policy, reasons of the transaction including the opinion of the Board of Directors about the transaction, reviewed by the Audit Committee.
- 3) In the meeting, any person with conflict of interest in that agenda, must temporarily leave the meeting when the agenda is being considered, so that other attendees are able consider, analyze and criticize with the influence of the person.
- 4) Decision in regards to business made by the Board of Directors and Executives, the best interest for the Company must be concerned regardless of any influences, needs, and personal benefits of a particular person.
- 5) Every personnel must not operate or engage in a similarly competitive business or the company with same characteristics with the business; in addition, will not be the major shareholder or executives in a similarly competitive business or the company with same characteristics with the business. In inevitable case, he must report to the supervisor immediately.
- 6) Every personnel must not seek the benefits that should not be obtained from any source or any others from his duties and responsibilities.
- 7) Every personnel must refrain from engaging in finance and/or a relationship with other party outside the organization which may cause damage to the Company or create any conflict of interest or impede the efficiency of the operation.
- 8) Directors and Executive must conduct a self-review and evaluation in the aspect of conflict of interest mentioned in the self-evaluation every year.

### 2. Oversight of Inside Information

#### Oversight of Inside Information Policy

- 1.) Directors, executives, and employees of the Company must adhere to procedures as follows:
  - 1.1) Must maintain confidentiality and/or inside information of the Company
  - 1.2) Must not disclose the confidentiality and inside information of the Company or serving one's own interest or other's either directly or indirectly, and whether or not it will be rewarded.
  - 1.3) Must not trade or transfer of the Company's shares by using confidentiality and/or inside information, and/or enter into any act using confidentiality and/or inside information of the Company which may cause damage to the Company either directly or indirectly.

Moreover, directors, executives, and employees of the Company whose department received or acknowledged inside information of the Company are not permitted to trade or transfer the Company's shares within 1 month before the disclosure of company's financial statements to the public, and 24 hours after the disclosure of financial report or any other information for the public. These measures include their spouses, cohabitation partners and minor children under legal age including legal entities of directors, executives, and employees of the Company. Any violation, shall be considered a serious offence.

Directors and executives of the Company must report any changes in their RT ownership including spouses, cohabitation partners, minor children under legal age, and legal entities to the Securities and Exchange Commission ("SEC") under Article 59 of the Securities and Exchange Act B.E. 2535 (1992), and must acknowledge penalties of the Securities and Exchange Act B.E. 2535 (1992). Furthermore, directors and executives must submit a copy of the report to the Company within the same day as report to SEC was submitted which they are required to notify within three days of the dates of sale, purchase, disposal, or receipt of such shares. The Company has enforced and announced this regulation to the directors, executives, employees.

### 3. Anti-corruption

Right Tunnelling Public Company Limited have an ambition to conduct a business with integrity, transparency, and in compliance with laws, regulations, and involving obligations in conducting a business with a serious concern of the stakeholders. The Company has set the Anti-corruption Policy as guidelines for directors, executives, and employees, and informed the stakeholders about its procedures

#### Definition of Corruption

Corruption means any forms of bribery by offering promise, commitment, claims, or receipt of remuneration, cash or assets, or any other inappropriate benefits to the authorities, government or private agencies, or any person either directly or indirectly in order for such person to perform or refrain from performing duties which in the acquisition and maintenance of business, or introducing businesses to a particular business or to acquire, maintain any inappropriate benefits. Unless in case of practical and feasible laws, regulations, announcement, traditions, local traditions or trade practices.

#### Anti-corruption Policy

The directors, executives, and employees of the Company are prohibited from conducting or accepting any kinds of corruption either directly or indirectly covering from domestic business to all sectors involving the Company. There shall be a regular review of implementation of this anti-corruption policy including evaluation and determination to development its procedures and regulations to comply with any changes in business, regulations and legal requirements.

#### Duties and Responsibilities

1. The Board of Directors is responsible for the determination of policies and supervision of effectively anti-corruption systems in order that the management realizes and values anti-corruption, until it becomes the corporate culture.
2. Audit Committee is responsible for the review of financial statement, internal control, internal audit system, and risk management system in accordance with the generally-accepted standard, in concise, appropriate, modern, and efficient manner.
3. Managing Director, management, and executives are responsible for the determination of system and campaign that supports Anti-corruption Policy, to communicate to the employees and stakeholders; as well as, to review the suitability of systems and measures in response to the changes in business, laws, regulations, and legal requirements.

4. Internal auditors are responsible for review and inspection of the operation to ensure that it is valid and compiled with policies, procedures, delegation of authorities, measures, law, and legal requirements for the suitable internal control system and sufficient for corruption risk that might possibly occur, then report to the Audit Committee.

### Practical Guidelines

1. Directors, Executives, and employees of Right Tunnelling Public Company Limited in all levels must follow Anti-corruption Policy and Business' Ethics, not involving in corruption either directly or indirectly.
2. In business operation, duties and responsibilities are separated by the clear chain of command for the balance of power, in order to prevent or reduce the opportunities of corruption so that the sustainable growth is achieved.
3. Audit Committee, the independent unit, performs their duties with audit principles and review to ensure that the Company follows Corporate Governance Code without fail as per the policies and requirements by mainly focusing on corruption risk and unlawful exploitation of duties which is assessed and examined appropriately.
4. Employees must not ignore and assent to any suspicious act of corruption that involve with the Company. If such corruption is found, they must report to the supervisors or responsible personnel and cooperate in the investigation as well. If any inquiries arise, employees may consult directly with supervisors or personnel who is in charge of company's Code of Conduct through provided channels
5. The Company determined Whistleblowing Policy in written format. In the event that any suspicious act of corruption or misconduct of a person or legal entity is found, whistleblower may report the complaints via email: whistleblower@rtco.co.th or telephone number: 02-313-4848 or posts directly to the Audit Committee of Right Tunnelling Public Company Limited, 292 Moo 4, Bangna-Trad Road Km. 26, Bang Bo, Bang Bo, Samut Prakarn, 10560. Furthermore, in the protection of whistleblower, the Company has mechanism and policy that retain the confidentiality of the whistleblower.
6. Directors, executives, and employee who corrupt or violate the Company's Code of Conduct will be disciplined as per the established regulations. Resulting from such actions, may be punishable by law.
7. The Company aware the importance of dissemination of information or knowledge to other party that perform duties related to the Company or whatever causes damage to the Company resulted from following this Anti-corruption Policy.
8. The Company is determined to build and maintain the organizational culture that any form of corruption of between both government and private sector is unacceptable.

### Terms of Action

1. Anti-corruption Policy covers the Human Resources Management from recruiting or selecting candidates, promotion, training, evaluation of performance, and compensation. Supervisors at all level must communicate with employees for every business activity that they are responsible, and supervise the operation to ensure the effectiveness.
2. Any action concerning Anti-Corruption Policy, must refer to the guidelines stipulated in Code of Conduct, Business Ethics, Good Corporate Governance, and Policies and Guidelines for stakeholders as well as other relevant regulations and Quality Procedures of the Company, in addition to any guidelines to be determined in the future.

3. Directors, Executive, and employees of the Company are provided training courses in accordance with Code of Conduct and Good Corporate Governance by focusing on maintaining the standards and developing of corporate governance process. This is to establish Good Corporate Governance as the cultural organization, also monitor and evaluate conventionally.
4. For clarity in the operation of high corruption risk, directors, executive, and employees of the Company at all level must behave as follows with full awareness:
  - a. all occurring expense of gratuity, entertainment must be complied with the Company's Code of Conduct
  - b. Any donation, grant, or financial aids must be transparent, compliant with laws, and must involve with bribery.

Any business relations and procurement with government agencies must not give or receive any forms of bribery during business' operation of the Company and its Subsidiaries. All must be transparent, honest, and compliant to the laws.

#### 4. Whistleblowing

Right Tunnelling Public Company Limited and the Management Team value correctness, transparency, fairness, and accountability in accordance with Good Corporate Governance. The Board of Directors has assigned the Audit Committee to consider receiving complaints and commends from the stakeholders. In the case of suspicious acts of the employees and units are found that might cause damage to the Company including the protective measures for the whistleblowers

Stakeholders, and employees including those who are affected by the operation of the Company, can report or complain to the Company when notified, wondered or believed that the Company's unit and employees violate the laws, practices, regulations, Corporate Governance Code, Code of Conduct, as well as policies and procedures that might cause damages to the Company.

The Company shall protect the rights of whistleblowers, and witnesses that act with good intention. Names, addresses, or any identifiable information shall be kept with confidentiality, by allowing only the person who is responsible for the investigation to gain access to the data. In addition, that responsible personnel shall also keep all information and evidence with confidentiality, and must not disclose the information to outsiders except the duty of disclosure required by laws.

Whistleblower must inform the details: name, address, and telephone number to the Chairman of the Board Director and/or Chairman of the Audit Committee of Right Tunnelling Public Company Limited by

##### 1. Posts

To the Chairman of the Board of Director of Right Tunnelling Public Company Limited and/or Chairman of the Audit Committee of Right Tunnelling Public Company Limited, 292 Moo 4 Bangna-Trad Road (Km. 26) Bang Bo, Bang Bo, Samut Prakarn, 10560

##### 2. Electronic mail (Email)

E-nail address: whistleblower@rtco.co.th

## 8.9 Report of Audit Committee

The Audit Committee of Right Tunnelling Public Company Limited, appointed by the Board of Directors, consists of 3 independent directors as follows:

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| 1) Dr. Boonthep Nanegrungsunk     | Chairman of the Audit Committee |
| 2) Mr. Thanapat Pupat             | Auditing Director               |
| 3) Mr. Chaiwut Jumnongsutasathien | Auditing Director               |

Every director performed their duties independently regardless of the influence of the Management as per the scope of duties and responsibilities assigned by the Board of Directors, and Audit Committee's charter in response to the regulations stipulated by SET as well as suggested and commented on any matters specified in the charter.

In 2021, the Audit Committee has total of 5 meetings with full attendances. The management, internal and external auditors participated in the meeting to discuss about financial topic and exchange comments to improve on other relevant topics. In addition, the meeting with external auditors were held once a year in order to discuss freely about financial statemen. Audit Committee reported to the Board about their performance quarterly. Their work as per the duties and responsibilities to consider as well as give comments to important agendas are as follows:

### 1. Review of Financial Statement

Audit Committee has reviewed the quarterly and yearly financial statements of the Company and its Subsidiaries in order to ensure its credibility, transparency, reliability and adequacy, in accordance with the generally- accepted accounting principles

### 2. Review of Internal Control

Audit Committee has considered the annual audit plan as well as monitor the results closely with the concerns of appropriateness and efficiency; moreover, evaluated the adequacy of the internal control system promoted by SET. However, Audit Committee is certain that the Company's internal control is adequate.

### 3. Review of Compliance Activities

Audit Committee has reviewed compliance activities enforced by SEC and SET or policies, practices, regulations, and requirements of SET and other legal requirements involving business. No unusual or illegal transaction were found.

### 4. Consideration and Nomination of External Auditor

Audit Committee has considered the qualifications and remuneration of external auditor of the Company and proposed to the Board and Shareholders' Meeting to approve the auditors from EY Office Company Limited as the Company's auditors.

## 5. Supervision of Internal Audit

Audit Committee has considered the qualifications and nominate candidates the independent internal auditor of the Company from IVL AUDITING CO., LTD., as well as supervised and reviewed annual internal audit plan on 2021. They are assigned to report the audited results, improvements, and recommendations to the committee every quarter to ensure that the Company and its Subsidiaries have an effective and adequate internal control system. Apart from this, Audit Committee has appointed the internal auditors to verify and audit the performance of the assigned construction sites to establish transparency and eliminate all doubts.

## 6. Consideration and Review of Related Party Transaction or Conflict of Interests

Audit Committee has reviewed - related party transactions or conflicts of interests that all are accurate and complete, and in accordance with laws, practices, regulations, as well as regulations and policies of SET.

## 7. Review and Evaluate the Effectiveness of Risk Management Report

Audit Committee has reviewed risk management process as per the operation. It is ensured the effectiveness and efficiency of the system is continuously improved for the adequacy of the risk management in response to all risk factors.

Audit Committee believe that the financial statement for fiscal year, the Company has a valid financial statement in accordance with generally-accepted accounting principles and adequate disclosure, as well as effective internal control system. However, no significant errors were found. Above of all this, the Company has perfectly performed their duties in compliance with the regulations, policies and legal requirements of SEC and SET.

Dr. Boonthep Nanegrungsunk  
Chairman of Audit Committee

## 8.10 Report of Nomination and Remuneration Committee

The Board of Directors has approved the appointment of Nomination and Remuneration Committee of Right Tunnelling Public Company Limited consisted of 4 persons: 2 independent directors, and 2 executive directors as follows:

- |                                |   |
|--------------------------------|---|
| 1. Mr. Jumpot Kanjanapunyaikom | Chairman of Nomination and Remuneration Committee /<br>Independent Director |
| 2. Mr. Chawalit Tanomtin       | Director  |
| 3. Mr. Teerayut Chusilp        | Director  |
| 4. Mr. Thanapat Pupat          | Director / Independent Director   |

As per the appointment as the Nomination and Remuneration Directors, they have performed their duties as per the assignment of the Board of Directors with the concerns of duties and responsibilities and best interests of investors and stakeholders appropriately and fairly in accordance with Good Corporate Governance.

In 2021, Nomination and Remuneration Committee has total of 2 meetings to discuss and recommend the important agendas to propose to the Board of Directors. The main ideas are as follows:

- Nomination** The committee has reviewed the process and procedures of nomination and selection of suitable candidates to be appointed as a director in replacement of the retired director (by rotation). Moreover, the Office of Company Secretary has invited all of its shareholders to propose the director nominees and to participate in the corporate governance activities. The consideration focuses the candidacy of the director and the nature of business as well as competencies, experiences, and expertise in a particular field which is beneficial for the Company. In addition, this complies the Companies' strategies in big picture in order to propose to the meeting shareholders a suitable candidate, and also recruit a qualified executive for the position of Chief Executive Officer and Managing Director.
- Remuneration** The committee has reviewed Remuneration of Directors Policy. The compensation consists of Annual Remuneration and Meeting Allowance. The remuneration structure is used since 2017 approved by the shareholders. Nomination and Remuneration Committee has also considered remuneration structure for executive directors; in addition, appraise the salaries and annual bonuses for Chief Executive Officer, Managing Director, and Deputy Managing Director for Management and Finance. The Remuneration has been carefully considered with procedures that is agreeable to the Company's operating results, responsibilities, and evaluation of directors' performance of 2021 to propose to the Board of Directors' Meeting for approval.
- Considered** reviewing the charter of Nomination and Remuneration Committee to be appropriate and in compliance with Good Corporate Governance and evaluation of directors' performance, and propose the Board of Directors' Meeting for information and consideration.

The Nomination and Remuneration Committee has performed their duties with discretion, prudence, and independence for the best interest of the Company.

Mr. Jumpot Kanjanapanakom  
Chairman of Nomination and Remuneration Committee

## 9. Internal Control and Related Party Traction

### 9.1 Opinions of the Audit Committee of Adequacy of the Internal Control System

Having an effective internal control system is essential for the Company itself and shareholders. Good internal control system help prevent risks or reduce damage caused to the Company, allowing the Company to reach its determined goals successfully. This is as a assurance of adequacy and credibility of the Company financial statement. Business Operation is compliant with laws, regulations, announcement, and legal requirements involving the Company, as well as prevention of loss from corruption or any others.

The Audit Committee of Right Tunnelling Public Company consists of 3 independent directors, 1 person is qualified and able to review the credibility and reliability of financial statement

The committee were:

- |                                   |  |
|-----------------------------------|--|
| 1. Dr. Boonthep Nanegrungsunk     | Independent Director / Chairman of Audit Committee |
| 2. Mr. Thanapat Pupat             | Independent Director / Auditing Director           |
| 3. Mr. Chaiwut Jumnongsutasathien | Independent Director / Auditing Director           |

Each meeting of the Audit Committee has considered and evaluated the adequacy of the internal control system by inviting the executives to attend the meeting of a particular agenda, as well as certified public accountant from EY Office Limited and internal auditor from IVL Auditing Co., Ltd. To explain the facts or any information, results of the financial statements and internal control system by auditors, and other evidence quarterly. The Audit Committee considered and evaluated internal control system of the Company in accordance with The Committee of Sponsoring Organizations of Treadway Commission (COSO) which consisted of 1. Control Environment 2. Risk Assessment 3. Control Activities 4. Information and Communication 5. Monitoring Activities. The management and the involving parties have given good cooperation on this matter.

Therefore, the Audit Committee is in the opinion that the internal control system of the Company is adequate, appropriate, and complaint with the evaluation of adequacy of internal control system promoted by the Securities and Exchange Commission (SET). Evaluated and recommended by the Board of Directors. The Company has efficiently provided enough employees for the operation of the Company and its Subsidiaries in each department. This will help prevent the Company's assets from corruption. Such organization will also cover the transaction with persons with conflicts of interest and related party transactions.

Dr. Boonthep Nanegrungsunk  
Chairman of Audit Committee

## 9.2 Reports on the Responsibilities of the Board of Directors on Financial Reports

The Board of Directors' priority is to supervise the Company's operation that they are in line with the good corporate governance policies that are financial statements and financial data appeared in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) contain accurate complete and adequate information. Its duty is also to ensure the financial statements are in line with the generally-accepted accounting principles practice in Thailand where an appropriate accounting policy is being chosen and carefully pursued in a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to guarantee the credibility of its financial statement, that a protection system is in place to prevent unusual transactions, that a related party transaction that might lead to possible conflicts of interest is in fact an actual transaction reasonably carried out during a normal course of business of the Company's maximum benefits and that relevant laws and regulations are complied. The Audit Committee has already reported the results of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the Annual Registration Statement/ Annual Report (Form 56-1 One Report)

In this regard, the Board of Director is of the opinion that the Company's internal control system is proven satisfactory and contributes to the Company's credibility as of December 31, 2021. The Company's auditor has already audited it according to the general accepted accounting standards and has an opinion that the financial statements represent an accurate financial status and operation results in its essence as per the generally-accepted accounting principles.

Dr. Songpope Polachan  
Chairman of the Board

## 9.3 Related Party Transaction

### 9.3.1 Related Party Transaction

Right Tunnelling Public Company Limited has the related party transaction with the persons with conflict of interest in which transactions were made with directors, and/or executives, and/or major shareholders, and legal entities that those are in the positions of directors and/or executives, and/or major shareholders in the fiscal year 2021. The details are as follows:

(Unit: Thousand baht)

| Related Persons  | Relationship  | Description of Transaction                    | Value of Transaction as of December 31, 2021 |
|--|---|---|--|
| <b>1. Trade and other receivables - related parties</b>    |   |   |  |
| - Right Tunnelling - Vichitbhan Construction Joint Venture | Subsidiaries  | Trade and other receivables - related parties | 25,196                                       |
| - Right Tunnelling - Sahaboon Technology Joint Venture     |   |   | 2,726  |
| - Right Tunnelling - Bangkok Civil Line Joint Venture      |   |   | -  |
| - Rudee Prayong - Right Tunnelling Joint Venture           |   |   | -  |
| - VCRT Joint Venture                                       |   |   | 559  |
| - Right Tunnelling Manmar Company Limited                  |   |   | 16,464                                       |
| - ITD - RT Joint Venture                                   | Joint arrangement   |   | 58,235                                       |
| - Vivat Construction Company Limited                       | Joint venture's partner   |   | 51,165                                       |
| - Hat Yai Ruangchai Civil Engineering Limited Partnership  | Related company (common directors with joint venture's partner) |   | 25,234                                       |
| <b>Total trade and other receivables - related parties</b> |   |   | <b>179,579</b>                               |
| <b>2. Unbilled receivables - related parties</b>           |   |   |  |
| - Right Tunnelling - Vichitbhan Construction Joint Venture | Subsidiaries  | Unbilled receivables - related parties        | -  |
| - Right Tunnelling - Sahaboon Technology Joint Venture     |   |   | -  |
| - Right Tunnelling - Bangkok Civil Line Joint Venture      |   |   | -  |
| - Rudee Prayong - Right Tunnelling Joint Venture           |   |   | -  |
| - VCRT Joint Venture                                       | Subsidiary  |   | 20,014                                       |
| - Right Tunnelling Manmar Company Limited                  |   |   | -  |
| - ITD - RT Joint Venture                                   | Joint arrangement   |   | 196,739                                      |
| <b>Total unbilled receivables - related parties</b>        |   |   | <b>216,753</b>                               |
| <b>3. Retention receivables - related party</b>            |   |   |  |
| - Right Tunnelling - Vichitbhan Construction Joint Venture | Subsidiaries  |   | 4,651  |
| - Right Tunnelling - Sahaboon Technology Joint Venture     |   |   | -  |
| - Right Tunnelling - Bangkok Civil Line Joint Venture      |   |   | -  |
| - Rudee Prayong - Right Tunnelling Joint Venture           |   |   | -  |
| - VCRT Joint Venture                                       | Joint arrangement   |   | -  |
| - Right Tunnelling Manmar Company Limited                  |   |   | -  |
| - ITD - RT Joint Venture                                   |   |   | -  |
| <b>Total retention receivables - related party</b>         |   |   | <b>4,651</b>                                 |
| <b>4. Trade and other payables - related parties</b>       |   |   |  |
| - Right Tunnelling - Vichitbhan Construction Joint Venture | Subsidiaries  |   | -  |
| - Right Tunnelling - Sahaboon Technology Joint Venture     |   |   | -  |
| - Right Tunnelling - Bangkok Civil Line Joint Venture      |   |   | 2,752  |
| - Rudee Prayong - Right Tunnelling Joint Venture           |   |   | 1,594  |
| - VCRT Joint Venture                                       | Joint Arrangement   |   | -  |
| - Right Tunnelling Manmar Company Limited                  | Subsidiary  |   | -  |
| - ITD - RT Joint Venture                                   | Joint Arrangement   |   | 6,509  |
| - E.F.S. Group Company Limited                             | Related company (common shareholders)                           |   | 821  |
| - Directors  | Directors   |   | 32,363                                       |
| <b>Total trade and other payables - related parties</b>    |   |   | <b>44,039</b>                                |

### 9.3.2 Opinion of the Audit Committee regarding The Related Party Transaction

The Audit Committee has considered the related party transactions of between the Company and other person or legal entity with conflict of interest both in the present and the future as per the announcement of SEC. The Audit Committee No. 1/2021 on February 28, 2021 commented that the said related party transaction is reasonable and in accordance with fair trade traditions, equitable treatment of unrelated parties or other entities, and business exploitation.

### 9.3.3 Measures and Procedures of Approval of Related Party Transaction

The Board of Directors has approved the measures and procedures of related party transaction as follows:

#### Measures and Procedures of Approval of Related Party Transaction

- The consideration of any related party transaction, the Company shall refer to the pricing criteria and trade agreements similarly to the general customers. For the financial assistance, the transaction must be reasonable, with fair terms and conditions for the best interest of the Company and stakeholders.
- In the case that there are no pricing criteria as a reference, the Company shall consider comparing prices of any goods or services to the market price under the similar terms and conditions.
- The Company may seek benefits from the independent assessor appointed by the Company to compare the terms of the important related party transaction to be able to ensure that they are reasonable which will serve best for the Company.
- In the event that the related party transaction is involved with the related persons and those with conflicts of interest or stakeholders, or whoever will be engaging in conflict of interest in the future, which it is a commercial agreement in the same manner as a person of ordinary prudence would do in the same situation with bargaining power without influence in processing the status of directors, executives, or related persons under the traditional and reasonable terms and conditions, and can be disclosed regardless of conflict of interest. Management Team has performed its duties under the principles approved by the Board of Directors, and reported to the Audit Committee quarterly.
- On the condition that any related party transaction falls within the requirements of SET and SEC, the Company shall comply with those rules strictly.
- The Company is required to disclose any related party transaction with conflict of interest as per the requirements of SET and SEC. Such dissemination shall be disclosed in the Annual Registration Report/ Annual Report (Form 56-1 One Report) according to the legal requirements by SET. Furthermore, the approval of such transaction, must be performed in accordance with regulations, announcements, edits, and the legal requirements by SET. The persons which conflict of interest are refrained from voting in that agenda.
- The related party transactions must be included in the annual audit plan for review by Internal Auditor; then, report to the Audit Committee of the Company. In addition, control and audit measures must be ensured to be conducted transactions randomly. They must be correct and complaint with contracts policies, or specified conditions.

### 9.3.4 Policy or Tendency of the Related Party Transaction in the Future

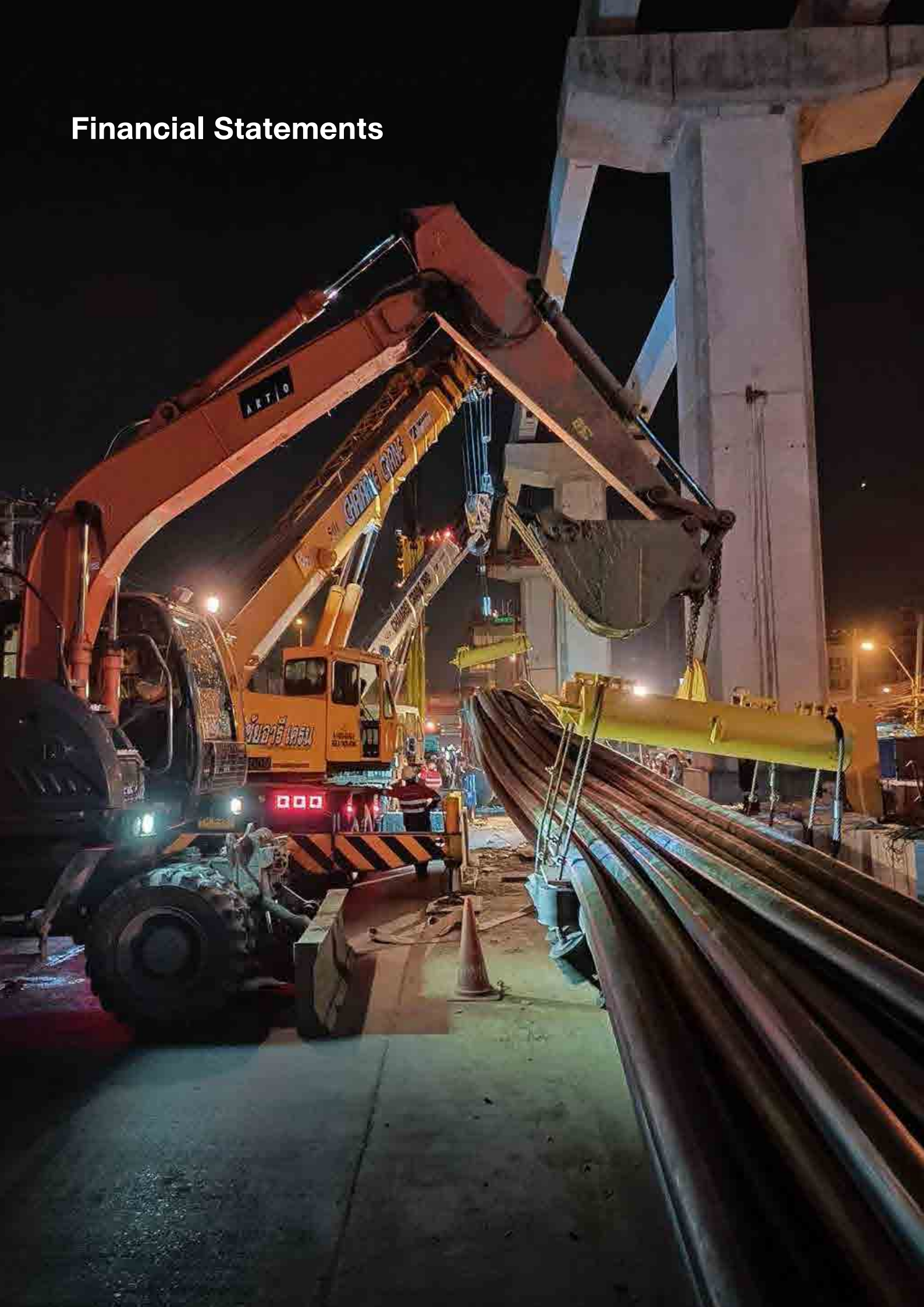
The Board of Directors' Meeting has approved the policy or tendency of the related party transaction in the future as follows: (1) in the event that the related party transaction with the person with conflict of interest is required, the Company shall determine terms and conditions in accordance with the normal trade agreement which are referable to the conditions of a business in the same industry that performs with contractors. Besides, the Audit Committee is assigned to give comments on the trade agreement, remuneration, necessity, and appropriateness of that transaction. (2) In the event that the Audit Committee is unable to consider such transaction, the Company may consider having independent assessor, independent specialist or audit to give comments on that transaction to support the decision of the Audit Committee, and furtherly propose to the Board or shareholders (as the case may be). Moreover, the Company shall disclose the related party transaction in financial statement notes reviewed by the Company's auditor, and in case of listed company of the Stock Exchange of Thailand, the Company shall disclose it on the Annual Registration Report/Annual Report (Form 56-1 One Report) required by SET, and other regulations, announcement, edits, or legal requirements of SET.

For any related party transaction in the future, directors must follow all legal requirements by stipulated by SEC And SET. Directors must not approve any transaction that themselves have conflict of interest with the Company, and are required to propose to the Board for approval. The process must be compliant with regulations, announcement, edits, or legal requirements of SET, the disclosure of Related Party Transaction and the Acquisition or Disposition of Assets of the Company, and accounting standards set by the Federation of Accounting Professions.

### 9.3.5 Investor Protection Measures

In the protection of investors, in the event that in the future, the related party transaction of the Company and its Subsidiaries occurs with the persons with conflict of interest, or stakeholders, or what may be a conflict of interest in the future, the Company shall propose to the Audit Committee, and the Board of Directors which the Auditing Directors are attending (except the related party transaction with the reasonable trade agreement that the Board had approved and given the authority to the management to perform. In addition to the supervision of transaction, to ensure its fairness and appropriate pricing policies, the Board of Directors shall perform their duties in accordance with the law under the Securities and Exchange Act, regulations, announcement, and other legal requirements by SEC and SET; as well as the disclosure of Related Party Transaction and the Acquisition or Disposition of Assets of the Company. Furthermore, the Company has disclosed to the public the related party transaction in financial statement notes reviewed by the Company's auditor, also in the Annual Registration Report/Annual Report (Form 56-1 One Report) in financial statement notes section for the year ended December 31, 2021 in accordance with the laws under the Securities and Exchange Act, regulations, announcements, edits or legal requirements of the Stock Exchange of Thailand.

# Financial Statements



# Independent Auditor's Report

## To the Shareholders of Right Tunnelling Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Right Tunnelling Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Right Tunnelling Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Right Tunnelling Public Company Limited and its subsidiaries and of Right Tunnelling Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### ***Recognition of revenue from construction contracts***

In 2021, the Group recognised revenue from construction contracts amounting to Baht 2,466 million and Baht 2,454 million in the consolidated statement of comprehensive income and the separate statement of comprehensive income, respectively, which were significant transactions. The Group recognises revenue from construction contracts in accordance with the accounting policy described in Note 4.1 to the financial statements. I focused my audit on the process of measurement, the determination of appropriate timing of revenue recognition and the estimates of possible losses since these areas require management to exercise significant judgement to assess the percentage of completion of construction work, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction contracts and the estimates of possible losses from construction contracts.

I examined the recognition of revenue from construction contracts and the provision for losses on construction projects by assessing and testing the effectiveness of the internal controls put in place by the Group over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction projects, through making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group's process for assessing the percentage of completion and making cost estimates for projects, and checked the estimated project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred. In addition, I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.

## Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 28 February 2022

# Right Tunnelling Public Company Limited and its subsidiaries

## Statements of financial position

As at 31 December 2021

(Unit: Baht)

|  |             | <u>Consolidated financial statements</u> |                      | <u>Separate financial statements</u> |                      |
|--|-------------|--|----------------------|--------------------------------------|----------------------|
|  | <u>Note</u> | <u>2021</u>                              | <u>2020</u>          | <u>2021</u>                          | <u>2020</u>          |
| <b>Assets</b>                            |             |  |                      |                                      |                      |
| <b>Current assets</b>                    |             |  |                      |                                      |                      |
| Cash and cash equivalents                | 7           | 71,563,590                               | 353,393,513          | 61,560,249                           | 344,906,947          |
| Trade and other receivables              | 6, 8        | 396,824,913                              | 647,111,557          | 376,461,760                          | 685,924,719          |
| Contract assets - unbilled receivables   | 6, 9        | 1,795,783,562                            | 1,332,189,223        | 1,788,763,888                        | 1,305,194,816        |
| Inventories and construction supplies    | 10          | 203,840,793                              | 198,406,002          | 203,475,455                          | 197,966,819          |
| Derivative assets                        |             | 72,967                                   | -                    | 72,967                               | -                    |
| Other current assets                     |             | 62,948,875                               | 47,261,052           | 59,420,261                           | 44,828,990           |
| <b>Total current assets</b>              |             | <u>2,531,034,700</u>                     | <u>2,578,361,347</u> | <u>2,489,754,580</u>                 | <u>2,578,822,291</u> |
| <b>Non-current assets</b>                |             |  |                      |                                      |                      |
| Restricted bank deposits                 | 11          | 255,810,374                              | 289,567,948          | 249,910,952                          | 286,705,805          |
| Contract assets - retention receivables  | 6, 9        | 237,401,660                              | 287,343,393          | 240,814,007                          | 290,676,703          |
| Investments in subsidiaries              | 12          | -  | -                    | -                                    | 5,002,221            |
| Investment properties                    | 14          | 1,536,011                                | 1,601,582            | 1,536,011                            | 1,601,582            |
| Property, plant and equipment            | 15          | 784,505,066                              | 790,639,540          | 784,037,280                          | 789,827,647          |
| Costs to fulfil contracts with customers |             | 18,915,872                               | 29,819,756           | 18,915,872                           | 29,819,756           |
| Intangible assets                        | 16          | 17,774,077                               | 17,942,271           | 17,774,077                           | 17,942,271           |
| Deferred tax assets                      | 26          | 32,846,462                               | 34,144,699           | 32,514,366                           | 33,812,603           |
| Other non-current assets                 |             | 35,331,458                               | 20,595,020           | 33,577,230                           | 18,486,214           |
| <b>Total non-current assets</b>          |             | <u>1,384,120,980</u>                     | <u>1,471,654,209</u> | <u>1,379,079,795</u>                 | <u>1,473,874,802</u> |
| <b>Total assets</b>                      |             | <u>3,915,155,680</u>                     | <u>4,050,015,556</u> | <u>3,868,834,375</u>                 | <u>4,052,697,093</u> |

The accompanying notes are an integral part of the financial statements.

## Right Tunnelling Public Company Limited and its subsidiaries

### Statements of financial position (continued)

As at 31 December 2021

| (Unit: Baht)  |  |                      |                      |                                      |                      |
|---|--|----------------------|----------------------|--------------------------------------|----------------------|
|   | <u>Consolidated financial statements</u> |                      |                      | <u>Separate financial statements</u> |                      |
|   | <u>Note</u>                              | <u>2021</u>          | <u>2020</u>          | <u>2021</u>                          | <u>2020</u>          |
| <b>Liabilities and shareholders' equity</b>           |  |                      |                      |                                      |                      |
| <b>Current liabilities</b>                            |  |                      |                      |                                      |                      |
| Bank overdrafts and short-term loans from             |  |                      |                      |                                      |                      |
| financial institutions                                | 17                                       | 761,115,397          | 772,786,115          | 761,115,397                          | 772,786,115          |
| Trade and other payables                              | 6, 18                                    | 678,901,641          | 812,950,643          | 680,673,523                          | 813,674,862          |
| Current portion of long-term loans from               |  |                      |                      |                                      |                      |
| financial institutions                                | 19                                       | 146,812,545          | 106,031,645          | 146,812,545                          | 106,031,645          |
| Current portion of lease liabilities                  | 20                                       | 105,056,300          | 103,643,156          | 105,056,300                          | 103,643,156          |
| Short-term loan from related party                    | 6  | -                    | -                    | 17,040,000                           | 17,040,000           |
| Contract liabilities - advances received from hirers  | 6, 9                                     | 539,495,827          | 584,011,442          | 481,400,607                          | 573,625,612          |
| Contract liabilities - construction revenues received |  |                      |                      |                                      |                      |
| in advance  | 6, 9                                     | 185,447              | 4,725,782            | 157,630                              | 4,725,782            |
| Income tax payable                                    |  | 1,267,980            | 2,659,024            | -                                    | 1,213,466            |
| Provision for losses on construction projects         |  | -                    | 956,775              | -                                    | 956,775              |
| Other current liabilities                             |  | 25,592,101           | 71,105,657           | 25,585,131                           | 71,105,657           |
| <b>Total current liabilities</b>                      |  | <u>2,258,427,238</u> | <u>2,458,870,239</u> | <u>2,217,841,133</u>                 | <u>2,464,803,070</u> |
| <b>Non-current liabilities</b>                        |  |                      |                      |                                      |                      |
| Long-term loans from financial institutions           |  |                      |                      |                                      |                      |
| - net of current portion                              | 19                                       | 77,376,256           | 48,116,664           | 77,376,256                           | 48,116,664           |
| Lease liabilities - net of current portion            | 20                                       | 160,044,942          | 78,391,793           | 160,044,942                          | 78,391,793           |
| Provision for long-term employee benefits             | 21                                       | 66,902,772           | 59,194,011           | 66,902,772                           | 59,194,011           |
| Other non-current liabilities                         |  | 15,843,199           | 16,786,882           | 15,843,199                           | 16,786,882           |
| <b>Total non-current liabilities</b>                  |  | <u>320,167,169</u>   | <u>202,489,350</u>   | <u>320,167,169</u>                   | <u>202,489,350</u>   |
| <b>Total liabilities</b>                              |  | 2,578,594,407        | 2,661,359,589        | 2,538,008,302                        | 2,667,292,420        |

The accompanying notes are an integral part of the financial statements.

# Right Tunnelling Public Company Limited and its subsidiaries

## Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

|   | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|   |      | 2021                              | 2020                 | 2021                          | 2020                 |
| <b>Shareholders' equity</b>                       |      |                                   |                      |                               |                      |
| Share capital                                     | 22   |                                   |                      |                               |                      |
| Registered  |      |                                   |                      |                               |                      |
| 1,100,000,000 ordinary shares of Baht 0.50 each   |      | <u>550,000,000</u>                | <u>550,000,000</u>   | <u>550,000,000</u>            | <u>550,000,000</u>   |
| Issued and fully paid up                          |      |                                   |                      |                               |                      |
| 1,100,000,000 ordinary shares of Baht 0.50 each   |      | 550,000,000                       | 550,000,000          | 550,000,000                   | 550,000,000          |
| Share premium                                     |      | 417,217,548                       | 417,217,548          | 417,217,548                   | 417,217,548          |
| Retained earnings                                 |      |                                   |                      |                               |                      |
| Appropriated - statutory reserve                  | 23   | 54,000,000                        | 52,000,000           | 54,000,000                    | 52,000,000           |
| Unappropriated                                    |      | 311,180,071                       | 365,084,782          | 305,305,772                   | 361,884,372          |
| Other components of shareholders' equity          |      | <u>4,275,571</u>                  | <u>4,415,766</u>     | <u>4,302,753</u>              | <u>4,302,753</u>     |
| Equity attributable to owners of the Company      |      | 1,336,673,190                     | 1,388,718,096        | 1,330,826,073                 | 1,385,404,673        |
| Non-controlling interests of the subsidiaries     |      | <u>(111,917)</u>                  | <u>(62,129)</u>      | -                             | -                    |
| <b>Total shareholders' equity</b>                 |      | <u>1,336,561,273</u>              | <u>1,388,655,967</u> | <u>1,330,826,073</u>          | <u>1,385,404,673</u> |
| <b>Total liabilities and shareholders' equity</b> |      | <u>3,915,155,680</u>              | <u>4,050,015,556</u> | <u>3,868,834,375</u>          | <u>4,052,697,093</u> |
|   |      | -                                 | -                    | -                             | -                    |

The accompanying notes are an integral part of the financial statements.

Directors

# Right Tunnelling Public Company Limited and its subsidiaries

## Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

|  | Consolidated financial statements |               | Separate financial statements |               |               |
|--|-----------------------------------|---------------|-------------------------------|---------------|---------------|
|  | Note                              | 2021          | 2020                          | 2021          | 2020          |
| Profit or loss:  |                                   |               |                               |               |               |
| Revenues   |                                   |               |                               |               |               |
| Revenue from construction services                           |                                   | 2,466,344,095 | 2,823,341,872                 | 2,453,544,728 | 2,784,801,528 |
| Sales of construction materials                              |                                   | 6,673,288     | 20,718,981                    | 6,673,288     | 23,658,278    |
| Exchange gain  |                                   | 4,085,851     | 1,040,648                     | 4,651,356     | 940,764       |
| Other income   |                                   | 14,890,056    | 15,697,186                    | 14,051,387    | 22,573,556    |
| Total revenues   |                                   | 2,491,993,290 | 2,860,798,687                 | 2,478,920,759 | 2,831,974,126 |
| Expenses   |                                   |               |                               |               |               |
| Cost of construction services                                |                                   | 2,150,738,947 | 2,234,665,494                 | 2,145,846,659 | 2,209,052,199 |
| Cost of sales of construction materials                      |                                   | 5,991,868     | 19,985,493                    | 5,991,868     | 22,924,142    |
| Administrative expenses                                      |                                   | 256,492,959   | 245,943,432                   | 251,008,584   | 240,057,123   |
| Reversal of allowance for expected credit losses             |                                   | (18,546,862)  | -                             | (18,546,862)  | -             |
| Total expenses   |                                   | 2,394,676,912 | 2,500,594,419                 | 2,384,300,249 | 2,472,033,464 |
| Operating profit   |                                   | 97,316,378    | 360,204,268                   | 94,620,510    | 359,940,662   |
| Finance income   |                                   | 2,042,191     | 3,234,520                     | 2,031,040     | 3,150,335     |
| Finance cost   | 24                                | (53,520,403)  | (67,584,954)                  | (53,520,403)  | (67,333,013)  |
| Profit before income tax expenses                            |                                   | 45,838,166    | 295,853,834                   | 43,131,147    | 295,757,984   |
| Income tax expenses  | 26                                | (4,300,032)   | (57,730,960)                  | (4,209,747)   | (56,606,575)  |
| Profit for the year  |                                   | 41,538,134    | 238,122,874                   | 38,921,400    | 239,151,409   |
| Other comprehensive income:                                  |                                   |               |                               |               |               |
| Other comprehensive income to be reclassified                |                                   |               |                               |               |               |
| to profit or loss in subsequent periods                      |                                   |               |                               |               |               |
| Exchange differences on translation of                       |                                   |               |                               |               |               |
| financial statements in foreign currency - net of income tax |                                   | (132,828)     | 445,264                       | -             | -             |
| Other comprehensive income not to be reclassified            |                                   |               |                               |               |               |
| to profit or loss in subsequent periods                      |                                   |               |                               |               |               |
| Actuarial gain - net of income tax                           |                                   | -             | 1,526,032                     | -             | 1,526,032     |
| Other comprehensive income for the year                      |                                   | (132,828)     | 1,971,296                     | -             | 1,526,032     |
| Total comprehensive income for the year                      |                                   | 41,405,306    | 240,094,170                   | 38,921,400    | 240,677,441   |

The accompanying notes are an integral part of the financial statements.

## Right Tunnelling Public Company Limited and its subsidiaries

### Statements of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

|  | <u>Consolidated financial statements</u> |                   | <u>Separate financial statements</u> |                                      |
|--|--|-------------------|--------------------------------------|--------------------------------------|
|  | <u>Note</u>                              | <u>2021</u>       | <u>2020</u>                          |                                      |
| <b>Profit attributable to:</b>                       |  |                   |                                      |                                      |
| Equity holders of the Company                        |  | 41,595,289        | 238,148,090                          | <u>38,921,400</u> <u>239,151,409</u> |
| Non-controlling interests of the subsidiaries        |  | <u>(57,155)</u>   | <u>(25,216)</u>                      |                                      |
|  |  | <u>41,538,134</u> | <u>238,122,874</u>                   |                                      |
| <b>Total comprehensive income attributable to:</b>   |  |                   |                                      |                                      |
| Equity holders of the Company                        |  | 41,455,094        | 240,120,743                          | <u>38,921,400</u> <u>240,677,441</u> |
| Non-controlling interests of the subsidiaries        |  | <u>(49,788)</u>   | <u>(26,573)</u>                      |                                      |
|  |  | <u>41,405,306</u> | <u>240,094,170</u>                   |                                      |
| <b>Basic earnings per share</b>                      | 27                                       |                   |                                      |                                      |
| Profit attributable to equity holders of the Company |  | <u>0.04</u>       | <u>0.28</u>                          | <u>0.04</u> <u>0.28</u>              |

The accompanying notes are an integral part of the financial statements.

# Right Tunnelling Public Company Limited and its subsidiaries

## Cash flow statements

For the year ended 31 December 2021

|  | (Unit: Baht)                             |                    |                                      |                    |
|--|--|--------------------|--------------------------------------|--------------------|
|  | <b>Consolidated financial statements</b> |                    | <b>Separate financial statements</b> |                    |
|  | <u>2021</u>                              | <u>2020</u>        | <u>2021</u>                          | <u>2020</u>        |
| <b>Cash flows from operating activities</b>  |  |                    |                                      |                    |
| Profit before tax  | 45,838,166                               | 295,853,834        | 43,131,147                           | 295,757,984        |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: |  |                    |                                      |                    |
| Depreciation and amortisation  | 155,050,508                              | 186,302,296        | 154,706,402                          | 186,033,922        |
| Reversal of allowance for expected credit losses   | (18,546,862)                             | (11,907)           | (18,546,862)                         | (11,907)           |
| Reversal of reduction of inventories to net realisable value   | (151,235)                                | (11,429)           | (151,235)                            | (11,429)           |
| Loss on impairment of investment in subsidiary   | -  | -                  | 5,002,221                            | -                  |
| Gain on sales of machinery and equipment   | (3,614,980)                              | (1,310,777)        | (3,614,980)                          | (1,310,777)        |
| Loss on write off of intangible assets   | -  | 96,549             | -                                    | 96,548             |
| Unrealised loss (gain) on exchange rate  | 1,528,780                                | (2,277,539)        | 1,528,780                            | (2,277,539)        |
| Reversal of short-term provisions  | -  | (6,490,170)        | -                                    | (6,490,170)        |
| Provision for long-term employee benefits  | 15,380,894                               | 13,796,853         | 15,380,894                           | 13,796,862         |
| Decrease in provision for losses on construction projects  | (956,775)                                | (5,366,640)        | (956,775)                            | (3,173,295)        |
| Finance income   | (2,042,191)                              | (3,234,520)        | (2,031,040)                          | (3,150,335)        |
| Finance cost   | 53,520,403                               | 67,584,954         | 53,520,403                           | 67,333,013         |
| Profit from operating activities before changes in operating assets and liabilities                  | 246,006,708                              | 544,931,504        | 247,968,955                          | 546,592,877        |
| Operating assets (increase) decrease   |  |                    |                                      |                    |
| Trade and other receivables  | 249,963,644                              | (96,620,558)       | 309,139,959                          | (109,035,237)      |
| Unbilled receivables   | (463,594,339)                            | (90,796,674)       | (483,569,072)                        | (81,196,702)       |
| Inventories and construction supplies  | (5,283,556)                              | (13,415,409)       | (5,357,401)                          | (15,501,765)       |
| Other current assets   | 18,347,642                               | (542,554)          | 18,937,138                           | (4,354,666)        |
| Retention receivables  | 67,959,473                               | 7,141,970          | 67,880,436                           | 3,567,505          |
| Costs to fulfil contracts with customers   | 10,903,884                               | 31,374,742         | 10,903,884                           | 31,374,742         |
| Other non-current assets   | (4,620,667)                              | (252,391)          | (4,975,245)                          | (37,777)           |
| Operating liabilities increase (decrease)  |  |                    |                                      |                    |
| Trade and other payables   | (130,178,998)                            | 65,022,872         | (129,131,336)                        | 65,039,698         |
| Advances received from hirers  | (44,515,615)                             | (227,433,059)      | (92,225,005)                         | (229,105,599)      |
| Construction revenues received in advance  | (4,540,335)                              | 4,725,782          | (4,568,152)                          | 4,725,782          |
| Other current liabilities  | (45,513,556)                             | 9,190,483          | (45,520,526)                         | 9,017,248          |
| Cash paid for long-term employee benefits  | (7,672,133)                              | (378,557)          | (7,672,133)                          | (378,566)          |
| Other non-current liabilities  | (943,683)                                | (4,294,407)        | (943,683)                            | (4,294,407)        |
| Cash from (used in) operating activities   | (113,681,531)                            | 228,653,744        | (119,132,181)                        | 216,413,133        |
| Proceed from refund of corporate income tax  | 838,668                                  | 40,765,404         | -                                    | 40,765,404         |
| Corporate income tax paid  | (48,993,492)                             | (63,620,415)       | (47,769,156)                         | (62,109,162)       |
| <b>Net cash flows from (used in) operating activities</b>  | <u>(161,836,355)</u>                     | <u>205,798,733</u> | <u>(166,901,337)</u>                 | <u>195,069,375</u> |

The accompanying notes are an integral part of the financial statements.

# Right Tunnelling Public Company Limited and its subsidiaries

## Cash flow statements (continued)

For the year ended 31 December 2021

|   | (Unit: Baht)                      |                     |                               |                     |
|---|-----------------------------------|---------------------|-------------------------------|---------------------|
|   | Consolidated financial statements |                     | Separate financial statements |                     |
|   | 2021                              | 2020                | 2021                          | 2020                |
| <b>Cash flows from investing activities</b>                           |                                   |                     |                               |                     |
| Decrease in restricted bank deposits                                  | 33,757,574                        | 7,447,179           | 36,794,853                    | 3,611,105           |
| Interest received   | 2,042,191                         | 3,234,520           | 2,031,040                     | 3,150,335           |
| Increase in property, plant and equipment                             | (31,381,839)                      | (27,792,407)        | (31,381,839)                  | (27,665,384)        |
| Proceeds from sales of machinery and equipment                        | 7,035,338                         | 1,880,123           | 7,035,338                     | 1,880,123           |
| Increase in intangible assets   | (711,032)                         | (458,782)           | (711,032)                     | (458,782)           |
| <b>Net cash flows from (used in) investing activities</b>             | <b>10,742,232</b>                 | <b>(15,689,367)</b> | <b>13,768,360</b>             | <b>(19,482,603)</b> |
| <b>Cash flows from financing activities</b>                           |                                   |                     |                               |                     |
| Increase (decrease) in bank overdrafts                                | 26,763,152                        | (56,797,358)        | 26,763,152                    | (56,797,358)        |
| Decrease in short-term loans from financial institutions              | (38,433,870)                      | (178,506,243)       | (38,433,870)                  | (170,506,243)       |
| Cash received from sale and leaseback                                 | 95,706,822                        | -                   | 95,706,822                    | -                   |
| Payment of principal portion of lease liabilities                     | (135,191,002)                     | (99,375,678)        | (135,191,002)                 | (99,375,678)        |
| Increase in long-term loans from financial institutions               | 123,948,800                       | 148,991,001         | 123,948,800                   | 148,991,000         |
| Repayment of long-term loans from financial institutions              | (53,908,307)                      | (191,640,898)       | (53,908,307)                  | (191,640,898)       |
| Interest paid   | (55,600,846)                      | (69,487,287)        | (55,600,846)                  | (69,235,345)        |
| Proceeds from increase in share capital                               | -                                 | 576,000,000         | -                             | 576,000,000         |
| Transaction costs on issue of shares                                  | -                                 | (18,478,065)        | -                             | (18,478,065)        |
| Dividend paid   | (93,498,470)                      | -                   | (93,498,470)                  | -                   |
| <b>Net cash flows from (used in) financing activities</b>             | <b>(130,213,721)</b>              | <b>110,705,472</b>  | <b>(130,213,721)</b>          | <b>118,957,413</b>  |
| <b>Increase (decrease) in translation adjustment</b>                  | <b>(522,079)</b>                  | <b>420,048</b>      | <b>-</b>                      | <b>-</b>            |
| <b>Net increase (decrease) in cash and cash equivalents</b>           | <b>(281,829,923)</b>              | <b>301,234,886</b>  | <b>(283,346,698)</b>          | <b>294,544,185</b>  |
| Cash and cash equivalents at beginning of year                        | 353,393,513                       | 52,158,627          | 344,906,947                   | 50,362,762          |
| <b>Cash and cash equivalents at end of year</b>                       | <b>71,563,590</b>                 | <b>353,393,513</b>  | <b>61,560,249</b>             | <b>344,906,947</b>  |
|   | -                                 | -                   | -                             | -                   |
| <b>Supplemental cash flows information:</b>                           |                                   |                     |                               |                     |
| Non-cash transactions   |                                   |                     |                               |                     |
| Increase in right-of-use assets due to entering into lease agreements | 122,550,473                       | 29,769,738          | 122,550,473                   | 29,769,738          |
| Transfer property, plant and equipment to intangible assets           | 1,618,178                         | 12,921,822          | 1,618,178                     | 12,921,822          |

The accompanying notes are an integral part of the financial statements.

# Right Tunnelling Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

| Consolidated financial statements   |                    |                   |                    |  |  |  |  |   |                      |                      |                      |
|---|--------------------|-------------------|--------------------|--|--|--|--|---|----------------------|----------------------|----------------------|
| Equity attributable to owners of the Company                                |                    |                   |                    |  |  |  |  |   |                      |                      |                      |
| Other components of shareholders' equity                                    |                    |                   |                    |  |  |  |  |   |                      |                      |                      |
| Other   |                    |                   |                    |  |  |  |  |   |                      |                      |                      |
| Issued and fully paid-up share capital                                      | Share premium      | Retained earnings |                    | Capital reserve for share-based payment transactions | Total other components of shareholders' equity | Total equity attributable to owners of the company | Equity attributable to non-controlling interests of the subsidiaries | Total   |                      |                      |                      |
|   |                    | Appropriated      | Unappropriated     |  |  |  |  | Exchange differences on translation of financial statements in foreign currency | comprehensive income | comprehensive income | shareholders' equity |
| 400,000,000   | 6,000,000          | 40,000,000        | 137,410,660        | 4,302,753  | 3,969,145                                      | 587,379,805  | (35,556)   |   |                      |                      | 587,344,249          |
| -   | -                  | -                 | 238,148,090        | -  | -  | 238,148,090  | (25,216)   |   |                      |                      | 238,122,874          |
| -   | -                  | -                 | 1,526,032          | -  | 446,621  | 1,972,653  | (1,357)  |   |                      |                      | 1,971,296            |
| -   | -                  | -                 | 239,674,122        | -  | 446,621  | 240,120,743  | (26,573)   |   |                      |                      | 240,094,170          |
| 150,000,000   | 426,000,000        | -                 | -                  | -  | -  | 576,000,000  | -  |   |                      |                      | 576,000,000          |
| -   | (14,782,452)       | -                 | -                  | -  | -  | (14,782,452)                                       | -  |   |                      |                      | (14,782,452)         |
| Transferred unappropriated retained earnings to statutory reserve (Note 23) | -                  | 12,000,000        | (12,000,000)       | -  | -  | -  | -  |   |                      |                      | -                    |
| <b>Balance as at 31 December 2020</b>                                       | <b>417,217,548</b> | <b>52,000,000</b> | <b>365,084,782</b> | <b>4,302,753</b>                                     | <b>4,415,766</b>                               | <b>1,388,718,096</b>                               | <b>(62,129)</b>  |   |                      |                      | <b>1,388,655,967</b> |
| 550,000,000   | 417,217,548        | 52,000,000        | 365,084,782        | 4,302,753  | 4,415,766                                      | 1,388,718,096                                      | (62,129)   |   |                      |                      | 1,388,655,967        |
| -   | -                  | -                 | 41,595,289         | -  | -  | 41,595,289   | (57,155)   |   |                      |                      | 41,538,134           |
| -   | -                  | -                 | (140,195)          | -  | (140,195)                                      | (140,195)  | 7,367  |   |                      |                      | (132,828)            |
| -   | -                  | -                 | 41,595,289         | -  | (140,195)                                      | 41,455,094   | (49,788)   |   |                      |                      | 41,405,306           |
| -   | -                  | -                 | (93,500,000)       | -  | -  | (93,500,000)                                       | -  |   |                      |                      | (93,500,000)         |
| Transferred unappropriated retained earnings to statutory reserve (Note 23) | -                  | 2,000,000         | (2,000,000)        | -  | -  | -  | -  |   |                      |                      | -                    |
| <b>Balance as at 31 December 2021</b>                                       | <b>417,217,548</b> | <b>54,000,000</b> | <b>311,180,071</b> | <b>4,302,753</b>                                     | <b>4,275,571</b>                               | <b>1,336,673,190</b>                               | <b>(111,917)</b>   |   |                      |                      | <b>1,336,561,273</b> |

The accompanying notes are an integral part of the financial statements.

# Right Tunnelling Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

|   | Separate financial statements          |               |                   |                |  |                            |
|---|--|---------------|-------------------|----------------|--|----------------------------|
|   | Issued and fully paid-up share capital |               | Retained earnings |                | Other components of shareholders' equity<br>Capital reserve for share-based payment transactions | Total shareholders' equity |
|   | Share capital                          | Share premium | Appropriated      | Unappropriated |  |                            |
| Balance as at 1 January 2020  | 400,000,000                            | 6,000,000     | 40,000,000        | 133,206,931    | 4,302,753  | 583,509,684                |
| Profit for the year   | -                                      | -             | -                 | 239,151,409    | -  | 239,151,409                |
| Other comprehensive income for the year                                     | -                                      | -             | -                 | 1,526,032      | -  | 1,526,032                  |
| Total comprehensive income for the year                                     | -                                      | -             | -                 | 240,677,441    | -  | 240,677,441                |
| Increase share capital (Note 22)  | 150,000,000                            | 426,000,000   | -                 | -              | -  | 576,000,000                |
| Transaction costs (Note 22)   | -                                      | (14,782,452)  | -                 | -              | -  | (14,782,452)               |
| Transferred unappropriated retained earnings to statutory reserve (Note 23) | -                                      | -             | 12,000,000        | (12,000,000)   | -  | -                          |
| Balance as at 31 December 2020  | 550,000,000                            | 417,217,548   | 52,000,000        | 361,884,372    | 4,302,753  | 1,385,404,673              |
| Balance as at 1 January 2021  | 550,000,000                            | 417,217,548   | 52,000,000        | 361,884,372    | 4,302,753  | 1,385,404,673              |
| Profit for the year   | -                                      | -             | -                 | 38,921,400     | -  | 38,921,400                 |
| Other comprehensive income for the year                                     | -                                      | -             | -                 | -              | -  | -                          |
| Total comprehensive income for the year                                     | -                                      | -             | -                 | 38,921,400     | -  | 38,921,400                 |
| Dividend paid (Note 28)   | -                                      | -             | -                 | (93,500,000)   | -  | (93,500,000)               |
| Transferred unappropriated retained earnings to statutory reserve (Note 23) | -                                      | -             | 2,000,000         | (2,000,000)    | -  | -                          |
| Balance as at 31 December 2021  | 550,000,000                            | 417,217,548   | 54,000,000        | 305,305,772    | 4,302,753  | 1,330,826,073              |

The accompanying notes are an integral part of the financial statements.

# Right Tunnelling Public Company Limited and its subsidiaries

## Notes to consolidated financial statements

For the year ended 31 December 2021

### 1. General information

#### 1.1 Corporate information

Right Tunnelling Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is Mr. Chawalit Tanomtin. The Company is principally engaged in the provision of construction services, open rock excavation, underground rock excavation and mineral exploration. The registered office of the Company is at 292 Moo 4, Bangbor, Bangbor, Samutprakarn.

On 10 June 2020, the Extraordinary General Meeting of the Company’s shareholders No. 1/2020 passed special resolutions approving the transformation of the limited company into a public limited company and the change of the Company’s name from “Right Tunnelling Company Limited” to “Right Tunnelling Public Company Limited”. The Company registered the transformation and the change of name with the Ministry of Commerce on 11 June 2020.

The Stock Exchange of Thailand approved the Company’s ordinary shares as listed securities, with trading permitted on 12 November 2020, as discussed in Note 22.2 to the financial statements.

#### 1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and its subsidiaries (“the Group”). The details of subsidiaries are as follows:

| Company's name   | Nature of business | Country of incorporation | Interest in subsidiaries |             |
|--|--------------------|--------------------------|--------------------------|-------------|
|  |                    |                          | <u>2021</u>              | <u>2020</u> |
|  |                    |                          | Percent                  | Percent     |
| Right Tunnelling - Vichitbhan Construction Joint Venture | Construction       | Thailand                 | 100                      | 100         |
| Right Tunnelling - Sahaboon Technology Joint Venture     | Construction       | Thailand                 | 100                      | 100         |
| Rudee Prayong - Right Tunnelling Joint Venture           | Construction       | Thailand                 | 100                      | 100         |
| Right Tunnelling - Bangkok Civil Line Joint Venture      | Construction       | Thailand                 | 100                      | 100         |
| VCRT Joint Venture                                       | Construction       | Thailand                 | 100                      | -           |
| Right Tunnelling Myanmar Company Limited                 | Construction       | Myanmar                  | 99                       | 99          |

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries under the cost method.
- 2.4 The Company has interests in joint operations which are joint arrangements whereby the Company has rights to assets and obligations relating to the joint arrangements. The Company recognises assets, liabilities, revenues and expenses in relation to its interest in the following joint operations in the consolidated and separate financial statements from the date that joint control commences until the date that joint control ceases.

| Name of entity                       | Nature of Business  | Country of incorporation | Interest in joint operations |                        |
|--------------------------------------|---|--------------------------|------------------------------|------------------------|
|                                      |   |                          | <u>2021</u><br>Percent       | <u>2020</u><br>Percent |
| ITD - RT Joint Venture               | Construction - Dual-track railway project                           | Thailand                 | 30                           | 30                     |
| Right Tunnelling - Sia Joint Venture | Construction - Manholes and underground electrical conduits project | Thailand                 | 55                           | 55                     |

On 3 October 2017, the Company established ITD - RT Joint Venture, which is a joint venture between the Company and Italian-Thai Development Public Company Limited, in which the Company holds a 30% interest. In December 2017, the joint venture entered into the contractual agreement for the Dual-track Railway Project with State Railway of Thailand. The joint venture has commenced its operation in 2018.

On 29 August 2017, the Company established Right Tunnelling - Sia Joint Venture, which is a joint venture between the Company and Sia Construction & Management Company Limited, in which the Company holds a 55% interest. In October 2018, the joint venture entered into the contractual agreement for the manholes and underground electrical conduits project with Metropolitan Electricity Authority. The joint venture has commenced its operation in 2019. Subsequently, in December 2019 the joint venture has completed its project and registered its dissolution on 28 December 2021. At present, the joint venture is in the process of liquidating its business.

### 3 New financial reporting standards

#### a) Financial reporting standards that became effective in the current year

During the current year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

### 4. Significant accounting policies

#### 4.1 Revenue and expense recognition

##### Revenue from construction contracts

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

### **Sales of construction materials**

Sales of construction materials are recognised at the point in time when control of goods is transferred to the customer, generally upon delivery of the goods. Sales are measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances.

### **Service income**

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Contract assets/Contract liabilities**

### **Contract assets**

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

### **Contract liabilities**

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

#### 4.4 Inventories and construction supplies

Inventories and construction supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value.

#### 4.5 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

#### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

|  |   |                                       |
|--|---|---------------------------------------|
| Buildings and premises                   | - | 20 - 30 years                         |
| Temporary buildings                      | - | As a period of construction contracts |
| Machinery and equipment                  | - | 3 - 10 years                          |
| Tools                                    | - | 5 years                               |
| Furniture, fixtures and office equipment | - | 5 years                               |
| Motor vehicles                           | - | 5 - 8 years                           |

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.9 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset, provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

#### 4.10 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

|                   | <u>Useful lives</u> |
|-------------------|---------------------|
| Computer software | 3 - 10 years        |

#### 4.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term as follows:

|                         |             |
|-------------------------|-------------|
| Land                    | 2 - 4 years |
| Buildings               | 3 years     |
| Machinery and equipment | 2 - 4 years |
| Motor vehicles          | 3 - 5 years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

**4.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

**4.13 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 4.15 Employee benefits

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### **Post-employment benefits**

##### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

##### ***Defined benefit plans***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognised restructuring-related costs.

#### 4.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for losses on construction projects is made in the accounts in full when the possibility of loss is ascertained.

#### 4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.18 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

## **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These financial assets are derivatives.

## **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 4.19 Derivatives

The Group uses derivatives, which are forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### 4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Revenue from construction contracts**

The Group recognises revenue from construction contracts over time. To reflect the satisfaction of the performance obligations, the management determines the stage of completion using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. The Group estimates the costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the projects, including labour costs and other miscellaneous costs to be incurred to completion of the service, and considering the direction of movements in these costs. These estimates are reviewed regularly or whenever actual costs differ significantly from the original estimates.

In addition, significant judgement is required in determining the contract costs incurred for work performed to date, estimated total contract revenue, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers or the work of specialists (if any).

### **Provision for losses on construction projects**

Management has used judgement to estimate the losses expected to be incurred from each construction project, based on the estimates of anticipated costs, taking into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials and labour costs, and current circumstances.

### **Joint arrangement**

Management applied judgement to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement. On this basis, the management of the Company determined that the Company has investments in two joint venture agreements that are joint operations (between the Company and other joint operators) in accordance with TFRS 11.

### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, subsidiaries and those related parties.

(Unit: Million Baht)

|   | Consolidated         |             | Separate             |             |   |
|---|----------------------|-------------|----------------------|-------------|---|
|   | financial statements |             | financial statements |             | Transfer Pricing Policy                 |
|   | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |   |
| <b><u>Transactions with subsidiaries</u></b>            |                      |             |                      |             |   |
| (eliminated from the consolidated financial statements) |                      |             |                      |             |   |
| Revenue from construction services                      | -                    | -           | 40.8                 | 2.5         | As stipulated in construction contracts |
| Sales of construction materials                         | -                    | -           | -                    | 2.9         | With reference to market price          |
| Other income  | -                    | -           | -                    | 6.9         | Cost plus margin                        |
| <b><u>Transactions with related companies</u></b>       |                      |             |                      |             |   |
| Purchases of machinery and spare parts                  | 1.2                  | 1.1         | 1.2                  | 1.1         | With reference to market price          |
| <b><u>Transactions with joint arrangements</u></b>      |                      |             |                      |             |   |
| Revenue from construction services                      | 426.1                | 15.8        | 426.1                | 15.8        | As stipulated in construction contracts |
| Purchases of construction materials                     | 5.9                  | -           | 5.9                  | -           | With reference to market price          |
| <b><u>Transactions with joint venture's partner</u></b> |                      |             |                      |             |   |
| Consultation fee  | 4.9                  | -           | -                    | -           | As stipulated in contracts              |
| <b><u>Transactions with related person</u></b>          |                      |             |                      |             |   |
| Interest expenses                                       | -                    | 0.2         | -                    | 0.2         | 5.75 percent per annum                  |

As at 31 December 2021 and 2020, the balances of the accounts between the Company, subsidiaries and those related parties are as follows:

|   | Consolidated         |               | (Unit: Thousand Baht) |               |
|---|----------------------|---------------|-----------------------|---------------|
|   | financial statements |               | Separate              |               |
|   | <u>2021</u>          | <u>2020</u>   | <u>2021</u>           | <u>2020</u>   |
| <b><u>Trade and other receivables - related parties</u></b>                   |                      |               |                       |               |
| <b><i>Subsidiaries</i></b>  |                      |               |                       |               |
| Right Tunnelling - Vichitbhan Construction Joint Venture                      | -                    | -             | 25,196                | 15,270        |
| Right Tunnelling - Sahaboon Technology Joint Venture                          | -                    | -             | 2,726                 | -             |
| Right Tunnelling - Bangkok Civil Line Joint Venture                           | -                    | -             | -                     | 149           |
| VCRT Joint Venture  | -                    | -             | 559                   | -             |
| Right Tunnelling Myanmar Company Limited                                      | -                    | -             | 16,464                | 24,259        |
| <b><i>Joint arrangement</i></b>   |                      |               |                       |               |
| ITD - RT Joint Venture  | 58,235               | -             | 58,235                | -             |
| <b><i>Joint venture's partner</i></b>   |                      |               |                       |               |
| Vivat Construction Company Limited  | 51,165               | -             | -                     | -             |
| <b><i>Related company (common directors with joint venture's partner)</i></b> |                      |               |                       |               |
| Hat Yai Ruangchai Civil Engineering Limited Partnership                       | 25,234               | -             | 25,234                | -             |
| Total trade and other receivables - related parties                           | <u>134,634</u>       | <u>-</u>      | <u>128,414</u>        | <u>39,678</u> |
| <b><u>Unbilled receivables - related parties</u></b>                          |                      |               |                       |               |
| <b><i>Subsidiary</i></b>  |                      |               |                       |               |
| VCRT Joint Venture  | -                    | -             | 20,014                | -             |
| <b><i>Joint arrangement</i></b>   |                      |               |                       |               |
| ITD - RT Joint Venture  | 196,739              | 15,830        | 196,739               | 15,830        |
| Total unbilled receivables - related parties                                  | <u>196,739</u>       | <u>15,830</u> | <u>216,753</u>        | <u>15,830</u> |
| <b><u>Retention receivables - related party</u></b>                           |                      |               |                       |               |
| <b><i>Subsidiary</i></b>  |                      |               |                       |               |
| Right Tunnelling - Vichitbhan Construction Joint Venture                      | -                    | -             | 4,651                 | 3,524         |
| Total retention receivables - related party                                   | <u>-</u>             | <u>-</u>      | <u>4,651</u>          | <u>3,524</u>  |

|   | (Unit: Thousand Baht)                |             |                                  |              |
|---|--------------------------------------|-------------|----------------------------------|--------------|
|   | Consolidated<br>financial statements |             | Separate<br>financial statements |              |
|   | <u>2021</u>                          | <u>2020</u> | <u>2021</u>                      | <u>2020</u>  |
| <b><u>Trade and other payables - related parties</u></b>                    |                                      |             |                                  |              |
| <b><i>Subsidiaries</i></b>  |                                      |             |                                  |              |
| Rudee Prayong - Right Tunnelling Joint Venture                              | -                                    | -           | 1,594                            | 1,788        |
| Right Tunnelling - Sahaboon Technology Joint Venture                        | -                                    | -           | -                                | 777          |
| Right Tunnelling - Bangkok Civil Line Joint Venture                         | -                                    | -           | 2,752                            | 2,993        |
| <b><i>Joint arrangement</i></b>   |                                      |             |                                  |              |
| ITD - RT Joint Venture  | 6,509                                | -           | 6,509                            | -            |
| <b><i>Related company (common shareholders)</i></b>                         |                                      |             |                                  |              |
| E.F.S. Group Company Limited  | 821                                  | 195         | 821                              | 195          |
| <b><i>Related persons</i></b>   |                                      |             |                                  |              |
| Directors   | 32,363                               | -           | 32,363                           | -            |
| Total trade and other payables - related parties                            | <u>39,693</u>                        | <u>195</u>  | <u>44,039</u>                    | <u>5,753</u> |
| <b><u>Advances received from hirers - related parties</u></b>               |                                      |             |                                  |              |
| <b><i>Subsidiaries</i></b>  |                                      |             |                                  |              |
| Right Tunnelling - Vichitbhan Construction Joint Venture                    | -                                    | -           | 1,572                            | -            |
| VCRT Joint Venture  | -                                    | -           | 26,168                           | -            |
| Total advances received from hirers - related parties                       | <u>-</u>                             | <u>-</u>    | <u>27,740</u>                    | <u>-</u>     |
| <b><u>Construction revenues received in advance -<br/>related party</u></b> |                                      |             |                                  |              |
| <b><i>Subsidiary</i></b>  |                                      |             |                                  |              |
| Right Tunnelling - Vichitbhan Construction Joint Venture                    | -                                    | -           | 158                              | -            |
| Total construction revenues received in advance -<br>related parties        | <u>-</u>                             | <u>-</u>    | <u>158</u>                       | <u>-</u>     |

### Short-term loan from related party

As at 31 December 2021 and 2020, the balance of short-term loan from related party and the movement of this loan are as follows:

(Unit: Thousand Baht)

|                               | Separate financial statements     |                             |                             |                                   |
|-------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|
|                               | Balance as at<br>31 December 2020 | Increase<br>during the year | Decrease<br>during the year | Balance as at<br>31 December 2021 |
| Short-term loan               |                                   |                             |                             |                                   |
| <b><i>Subsidiary</i></b>      |                                   |                             |                             |                                   |
| Right Tunnelling - Vichitbhan |                                   |                             |                             |                                   |
| Construction Joint Venture    | 17,040                            | -                           | -                           | 17,040                            |
| Total                         | 17,040                            | -                           | -                           | 17,040                            |

As at 31 December 2021, short-term loan from subsidiary is unsecured, interest free and repayable at call.

### Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

|                              | Consolidated         |             | Separate             |             |
|------------------------------|----------------------|-------------|----------------------|-------------|
|                              | financial statements |             | financial statements |             |
|                              | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Short-term employee benefits | 35,004               | 35,829      | 35,004               | 35,829      |
| Post-employment benefits     | 1,215                | 1,241       | 1,215                | 1,241       |
| Total                        | 36,219               | 37,070      | 36,219               | 37,070      |

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 31.3 to the financial statements.

**7. Cash and cash equivalents**

(Unit: Thousand Baht)

|               | Consolidated         |                | Separate             |                |
|---------------|----------------------|----------------|----------------------|----------------|
|               | financial statements |                | financial statements |                |
|               | <u>2021</u>          | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Cash          | 1,883                | 2,229          | 1,837                | 2,173          |
| Bank deposits | 69,681               | 351,165        | 59,723               | 342,734        |
| Total         | <u>71,564</u>        | <u>353,394</u> | <u>61,560</u>        | <u>344,907</u> |

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interest at rates between 0.05 and 0.50 percent per annum (2020: between 0.05 and 0.50 percent per annum).

**8. Trade and other receivables**

(Unit: Thousand Baht)

|  | Consolidated         |                | Separate             |                |
|--|----------------------|----------------|----------------------|----------------|
|  | financial statements |                | financial statements |                |
|  | <u>2021</u>          | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| <u>Trade receivables - related parties</u>       |                      |                |                      |                |
| Aged on the basis of due dates                   |                      |                |                      |                |
| Not yet due                                      | 29,435               | -              | 40,616               | -              |
| Past due   |                      |                |                      |                |
| Up to 3 months                                   | 28,800               | -              | 28,800               | 810            |
| 3 - 6 months                                     | -                    | -              | -                    | 2,299          |
| 6 - 12 months                                    | -                    | -              | -                    | 9,715          |
| Over 12 months                                   | -                    | -              | 5,029                | 149            |
| Total trade receivables - related parties        | <u>58,235</u>        | <u>-</u>       | <u>74,445</u>        | <u>12,973</u>  |
| <u>Trade receivables - unrelated parties</u>     |                      |                |                      |                |
| Aged on the basis of due dates                   |                      |                |                      |                |
| Not yet due                                      | 107,491              | 410,814        | 94,337               | 410,814        |
| Past due   |                      |                |                      |                |
| Up to 3 months                                   | 57,436               | 130,137        | 57,436               | 130,137        |
| 3 - 6 months                                     | 2,728                | 30,340         | 2,728                | 30,340         |
| 6 - 12 months                                    | 19,248               | 12             | 19,248               | 12             |
| Over 12 months                                   | 7,752                | 8,723          | 7,752                | 8,723          |
| Total  | <u>194,655</u>       | <u>580,026</u> | <u>181,501</u>       | <u>580,026</u> |
| Less: Allowance for expected credit losses       | <u>(5,391)</u>       | <u>(5,391)</u> | <u>(5,391)</u>       | <u>(5,391)</u> |
| Total trade receivables - unrelated parties, net | <u>189,264</u>       | <u>574,635</u> | <u>176,110</u>       | <u>574,635</u> |
| Total trade receivables - net                    | <u>247,499</u>       | <u>574,635</u> | <u>250,555</u>       | <u>587,608</u> |

|   | (Unit: Thousand Baht)                |                                  |
|---|--------------------------------------|----------------------------------|
|   | Consolidated<br>financial statements | Separate<br>financial statements |
|   | <u>2021</u>                          | <u>2020</u>                      |
| <u>Other receivables</u>                                  |                                      |                                  |
| Advances to related parties                               | -                                    | -                                |
| Advances to unrelated parties                             | 36,242                               | 37,096                           |
| Deposits for purchases of supplies -<br>related parties   | 25,234                               | -                                |
| Deposits for purchases of supplies -<br>unrelated parties | 12,808                               | 8,847                            |
| Prepaid expenses - related parties                        | 51,165                               | -                                |
| Prepaid expenses - unrelated parties                      | 14,638                               | 15,539                           |
| Other receivables   | 9,239                                | 10,995                           |
| Total other receivables                                   | 149,326                              | 72,477                           |
| Total trade and other receivables - net                   | 396,825                              | 647,112                          |

As at 31 December 2021 and 2020, rights over collection of trade receivables from certain construction projects of the Company have been used to secure the credit facilities obtained from financial institutions as described in Notes 17 and 19 to the financial statements.

The normal credit term is 30 days.

## 9. Contract assets/Contract liabilities

### 9.1 Contract assets - unbilled receivables

As at 31 December 2021 and 2020, rights over collection of unbilled receivables from certain construction projects of the Company have been used to secure the credit facilities obtained from financial institutions as described in Notes 17 and 19 to the financial statements.

The balance of unbilled receivables as at 31 December 2021 and 2020, aged on the basis of period until they are expected to be billed to customers in the future, can be summarised as follows:

|                               | (Unit: Thousand Baht) |             |                      |             |
|-------------------------------|-----------------------|-------------|----------------------|-------------|
|                               | Consolidated          |             | Separate             |             |
|                               | financial statements  |             | financial statements |             |
|                               | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Period to expected billing    |                       |             |                      |             |
| In up to 3 months             | 708,631               | 564,048     | 701,611              | 564,048     |
| In over 3 and up to 12 months | 1,087,153             | 580,460     | 1,087,153            | 553,466     |
| In over 1 year                | -                     | 187,681     | -                    | 187,681     |
| Total unbilled receivables    | 1,795,784             | 1,332,189   | 1,788,764            | 1,305,195   |

## 9.2 Contract assets - retention receivables

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Retention receivables                      | 242,602               | 311,090     | 246,014              | 314,424     |
| Less: Allowance for expected credit losses | (5,200)               | (23,747)    | (5,200)              | (23,747)    |
| Retention receivables - net                | 237,402               | 287,343     | 240,814              | 290,677     |

## 9.3 Revenue recognised in relation to contract assets and contract liabilities as at 31 December 2021 and 2020

|   | (Unit: Thousand Baht) |             |                      |             |
|---|-----------------------|-------------|----------------------|-------------|
|   | Consolidated          |             | Separate             |             |
|   | financial statements  |             | financial statements |             |
|   | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Revenue recognised in the year that was included in contract liabilities at the beginning of the year | 203,314               | 226,375     | 192,928              | 222,934     |
| Revenue recognised in the year from performance obligations satisfied in previous years               | (81,686)              | (28,212)    | (81,686)             | (33,156)    |

#### 9.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, the Group's revenue totaling Baht 4,220 million (2020: Baht 3,552 million) (the Company only: Baht 4,127 million, 2020: Baht 3,549 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 3 years.

### 10. Inventories and construction supplies

(Unit: Thousand Baht)

|                       | Consolidated financial statements |                |  |                |                   |                |
|-----------------------|-----------------------------------|----------------|--|----------------|-------------------|----------------|
|                       | Cost                              |                | Reduce cost to net<br>realisable value |                | Inventories - net |                |
|                       | 2021                              | 2020           | 2021                                   | 2020           | 2021              | 2020           |
| Construction supplies |                                   |                |  |                |                   |                |
| and spare parts       | 205,823                           | 200,102        | (1,982)                                | (2,133)        | 203,841           | 197,969        |
| Goods in transit      | -                                 | 437            | -                                      | -              | -                 | 437            |
| Total                 | <u>205,823</u>                    | <u>200,539</u> | <u>(1,982)</u>                         | <u>(2,133)</u> | <u>203,841</u>    | <u>198,406</u> |

(Unit: Thousand Baht)

|                       | Separate financial statements |                |  |                |                   |                |
|-----------------------|-------------------------------|----------------|--|----------------|-------------------|----------------|
|                       | Cost                          |                | Reduce cost to net<br>realisable value |                | Inventories - net |                |
|                       | 2021                          | 2020           | 2021                                   | 2020           | 2021              | 2020           |
| Construction supplies |                               |                |  |                |                   |                |
| and spare parts       | 205,457                       | 199,663        | (1,982)                                | (2,133)        | 203,475           | 197,530        |
| Goods in transit      | -                             | 437            | -                                      | -              | -                 | 437            |
| Total                 | <u>205,457</u>                | <u>200,100</u> | <u>(1,982)</u>                         | <u>(2,133)</u> | <u>203,475</u>    | <u>197,967</u> |

### 11. Restricted bank deposits

These represent fixed deposits pledged with the financial institutions to secure credit facilities obtained from financial institutions.

**12. Investments in subsidiaries**

(Unit: Thousand Baht)

| Company's name  | Paid-up capital     |                     | Interest in subsidiaries |             | Cost    |       |
|---|---------------------|---------------------|--------------------------|-------------|---------|-------|
|   | 2021                | 2020                | 2021<br>(%)              | 2020<br>(%) | 2021    | 2020  |
| Right Tunnelling - Vichitbhan Construction<br>Joint Venture | -                   | -                   | 100                      | 100         | -       | -     |
| Right Tunnelling - Sahaboon Technology<br>Joint Venture     | -                   | -                   | 100                      | 100         | -       | -     |
| Rudee Prayong - Right Tunnelling<br>Joint Venture           | -                   | -                   | 100                      | 100         | -       | -     |
| Right Tunnelling - Bangkok Civil Line<br>Joint Venture      | -                   | -                   | 100                      | 100         | -       | -     |
| VCRT Joint Venture  | -                   | -                   | 100                      | -           | -       | -     |
| Right Tunnelling Myanmar Company Limited                    | USD 0.15<br>million | USD 0.15<br>million | 99                       | 99          | 5,002   | 5,002 |
| Total investments in subsidiaries                           |                     |                     |                          |             | 5,002   | 5,002 |
| Less: Allowance for impairment loss on<br>investments       |                     |                     |                          |             | (5,002) | -     |
| Investments in subsidiaries - net                           |                     |                     |                          |             | -       | 5,002 |

On 22 January 2021, the meeting of the Company's Executive Committee passed a resolution to dissolve Rudee Prayong - Right Tunnelling Joint Venture (subsidiary). The subsidiary registered its dissolution on 28 January 2021 and is in the process of liquidating its business.

On 24 December 2021, the meeting of the Company's Executive Committee passed a resolution to dissolve Right Tunnelling - Bangkok Civil Line Joint Venture (subsidiary). The subsidiary registered its dissolution on 28 December 2021 and is in the process of liquidating its business.

On 14 July 2021, the Company established VCRT Joint Venture, which is a joint venture between the Company and Vivat Construction Company Limited. The Company treats this joint venture as a subsidiary since the Company has control on this joint venture.

During the current year, the Company recorded allowance for impairments loss on investments in Right Tunnelling Myanmar Company Limited of Baht 5 million.

### 13. Joint arrangements - joint operations

Financial information of the Company only and the joint arrangements which are the joint operations are presented including in the separate financial statement as below.

(Unit: Million Baht)

|                                  | The Company only |             | The joint arrangements |             | Elimination entries |             | Separate financial statements |             |
|----------------------------------|------------------|-------------|------------------------|-------------|---------------------|-------------|-------------------------------|-------------|
|                                  | <u>2021</u>      | <u>2020</u> | <u>2021</u>            | <u>2020</u> | <u>2021</u>         | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
| <b>Summarised information</b>    |                  |             |                        |             |                     |             |                               |             |
| <b>about financial position:</b> |                  |             |                        |             |                     |             |                               |             |
| Current assets                   | 2,458            | 2,526       | 140                    | 379         | (108)               | (326)       | 2,490                         | 2,579       |
| Non-current assets               | 1,373            | 1,436       | 20                     | 62          | (14)                | (24)        | 1,379                         | 1,474       |
| Current liabilities              | 2,263            | 2,438       | 62                     | 345         | (107)               | (318)       | 2,218                         | 2,465       |
| Non-current liabilities          | 320              | 202         | 14                     | 25          | (14)                | (25)        | 320                           | 202         |
| Unappropriated retained earnings | 222              | 298         | 83                     | 71          | -                   | (7)         | 305                           | 362         |

(Unit: Million Baht)

|                                   | The Company only |             | The joint arrangements |             | Elimination entries |             | Separate financial statements |             |
|-----------------------------------|------------------|-------------|------------------------|-------------|---------------------|-------------|-------------------------------|-------------|
|                                   | <u>2021</u>      | <u>2020</u> | <u>2021</u>            | <u>2020</u> | <u>2021</u>         | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
| <b>Summarised information</b>     |                  |             |                        |             |                     |             |                               |             |
| <b>about profit or loss:</b>      |                  |             |                        |             |                     |             |                               |             |
| Total revenues                    | 2,435            | 2,716       | 330                    | 1,128       | (286)               | (1,012)     | 2,479                         | 2,832       |
| Total expenses                    | (2,363)          | (2,421)     | (306)                  | (1,054)     | 285                 | 1,003       | (2,384)                       | (2,472)     |
| Operating profit                  | 72               | 295         | 24                     | 74          | (1)                 | (9)         | 95                            | 360         |
| Finance income                    | 1                | 3           | 1                      | -           | -                   | -           | 2                             | 3           |
| Finance cost                      | (54)             | (67)        | -                      | -           | -                   | -           | (54)                          | (67)        |
| Profit before income tax expenses | 19               | 231         | 25                     | 74          | (1)                 | (9)         | 43                            | 296         |
| Income tax benefit (expenses)     | 1                | (42)        | (5)                    | (17)        | -                   | 2           | (4)                           | (57)        |
| Profit for the year               | <u>20</u>        | <u>189</u>  | <u>20</u>              | <u>57</u>   | <u>(1)</u>          | <u>(7)</u>  | <u>39</u>                     | <u>239</u>  |

**14. Investment properties**

(Unit: Thousand Baht)

|                                | Consolidated/Separate financial statements |                    |       |
|--------------------------------|--|--------------------|-------|
|                                | Land                                       | Warehouse for rent | Total |
| 31 December 2021:              |  |                    |       |
| Cost                           | 800  | 1,500              | 2,300 |
| Less: Accumulated depreciation | -  | (764)              | (764) |
| Net book value                 | 800  | 736                | 1,536 |
| 31 December 2020:              |  |                    |       |
| Cost                           | 800  | 1,500              | 2,300 |
| Less: Accumulated depreciation | -  | (698)              | (698) |
| Net book value                 | 800  | 802                | 1,602 |

As at 31 December 2021, the fair value of the investment properties, which was determined based on a valuation performed by an independent appraiser using the market approach, amounted to Baht 4.2 million (2020: Baht 4.2 million).

(Unit: Thousand Baht)

Consolidated financial statements

(Unit: Thousand Baht)

## Consolidated financial statements (continued)

|  | Land and land<br>improvement | Buildings<br>and premises | Machinery<br>and equipment | Tools  | Furniture,<br>fixtures and<br>office equipment | Motor vehicles | Right-of-use<br>assets<br>(Note 20) | Assets under<br>installation and<br>construction | Total   |
|--|------------------------------|---------------------------|----------------------------|--------|--|----------------|-------------------------------------|--|---------|
| <b>Allowance for impairment loss:</b>  |                              |                           |                            |        |  |                |                                     |  |         |
| 1 January 2020   | 2,611                        | -                         | -                          | -      | -  | -              | -                                   | -  | 2,611   |
| 31 December 2020   | 2,611                        | -                         | -                          | -      | -  | -              | -                                   | -  | 2,611   |
| 31 December 2021   | 2,611                        | -                         | -                          | -      | -  | -              | -                                   | -  | 2,611   |
| <b>Net book value:</b>   |                              |                           |                            |        |  |                |                                     |  |         |
| 31 December 2020   | 78,330                       | 57,696                    | 197,679                    | 29,482 | 6,997  | 10,214         | 403,046                             | 7,196  | 790,640 |
| 31 December 2021   | 78,528                       | 55,113                    | 172,165                    | 27,570 | 14,213   | 10,974         | 425,152                             | 790  | 784,505 |
| <b>Depreciation for the year</b>   |                              |                           |                            |        |  |                |                                     |  |         |
| 2020 (Baht 166 million included in cost of construction services and the balance in administrative expenses) |                              |                           |                            |        |  |                |                                     |  | 183,853 |
| 2021 (Baht 139 million included in cost of construction services and the balance in administrative expenses) |                              |                           |                            |        |  |                |                                     |  | 152,487 |

(Unit: Thousand Baht)

## Separate financial statements

|                                  | Land and land improvement | Buildings and premises | Machinery and equipment | Tools   | Furniture, fixtures and office equipment | Motor vehicles | Right-of-use assets (Note 20) | Assets under installation and construction | Total     |
|----------------------------------|---------------------------|------------------------|-------------------------|---------|--|----------------|-------------------------------|--|-----------|
| <b>Cost :</b>                    |                           |                        |                         |         |  |                |                               |  |           |
| 1 January 2020                   | 80,941                    | 71,190                 | 956,154                 | 90,194  | 24,456                                   | 46,650         | 685,149                       | 14,257                                     | 1,968,991 |
| Additions                        | -                         | -                      | 6,507                   | 9,243   | 1,846                                    | 3,741          | 28,992                        | 7,430                                      | 57,759    |
| Disposals/write off              | -                         | -                      | (3,630)                 | (2,217) | (669)                                    | (1,452)        | -                             | -  | (7,968)   |
| Transfers in (out)               | -                         | 991                    | 4,920                   | -       | 133                                      | (4,475)        | -                             | (14,491)                                   | (12,922)  |
| 31 December 2020                 | 80,941                    | 72,181                 | 963,951                 | 97,220  | 25,766                                   | 44,464         | 714,141                       | 7,196                                      | 2,005,860 |
| Additions                        | 198                       | -                      | 18,263                  | 10,857  | 11,051                                   | 3,420          | 107,014                       | 588  | 151,391   |
| Disposals/write off              | -                         | -                      | (24,315)                | (3,028) | (729)                                    | (3,473)        | (738)                         | -  | (32,283)  |
| Transfers in (out)               | -                         | -                      | 4,497                   | 38      | -  | -              | 841                           | (6,994)                                    | (1,618)   |
| 31 December 2021                 | 81,139                    | 72,181                 | 962,396                 | 105,087 | 36,088                                   | 44,411         | 821,258                       | 790  | 2,123,350 |
| <b>Accumulated depreciation:</b> |                           |                        |                         |         |  |                |                               |  |           |
| 1 January 2020                   | -                         | 11,927                 | 689,787                 | 57,337  | 16,058                                   | 33,491         | 228,633                       | -  | 1,037,233 |
| Depreciation for the year        | -                         | 2,558                  | 80,057                  | 12,792  | 3,506                                    | 2,211          | 82,462                        | -  | 183,586   |
| Disposals/write off              | -                         | -                      | (3,547)                 | (1,773) | (626)                                    | (1,452)        | -                             | -  | (7,398)   |
| 31 December 2020                 | -                         | 14,485                 | 766,297                 | 68,356  | 18,938                                   | 34,250         | 311,095                       | -  | 1,213,421 |
| Depreciation for the year        | -                         | 2,583                  | 45,749                  | 12,023  | 3,702                                    | 2,521          | 85,565                        | -  | 152,143   |
| Disposals/write off              | -                         | -                      | (21,799)                | (2,503) | (672)                                    | (3,334)        | (554)                         | -  | (28,862)  |
| 31 December 2021                 | -                         | 17,068                 | 790,247                 | 77,876  | 21,968                                   | 33,437         | 396,106                       | -  | 1,336,702 |

(Unit: Thousand Baht)

## Separate financial statements (continued)

|  | Land and land<br>improvement | Buildings<br>and premises | Machinery<br>and equipment | Tools  | Furniture,<br>fixtures and<br>office equipment | Motor vehicles | Right-of-use<br>assets<br>(Note 20) | Assets under<br>installation and<br>construction | Total   |
|--|------------------------------|---------------------------|----------------------------|--------|--|----------------|-------------------------------------|--|---------|
| <b>Allowance for impairment loss:</b>  |                              |                           |                            |        |  |                |                                     |  |         |
| 1 January 2020   | 2,611                        | -                         | -                          | -      | -  | -              | -                                   | -  | 2,611   |
| 31 December 2020   | 2,611                        | -                         | -                          | -      | -  | -              | -                                   | -  | 2,611   |
| 31 December 2021   | 2,611                        | -                         | -                          | -      | -  | -              | -                                   | -  | 2,611   |
| <b>Net book value:</b>   |                              |                           |                            |        |  |                |                                     |  |         |
| 31 December 2020   | 78,330                       | 57,696                    | 197,654                    | 28,864 | 6,828  | 10,214         | 403,046                             | 7,196  | 789,828 |
| 31 December 2021   | 78,528                       | 55,113                    | 172,149                    | 27,211 | 14,120   | 10,974         | 425,152                             | 790  | 784,037 |
| <b>Depreciation for the year</b>   |                              |                           |                            |        |  |                |                                     |  |         |
| 2020 (Baht 166 million included in cost of construction services and the balance in administrative expenses) |                              |                           |                            |        |  |                |                                     |  | 183,586 |
| 2021 (Baht 139 million included in cost of construction services and the balance in administrative expenses) |                              |                           |                            |        |  |                |                                     |  | 152,143 |

During the current year, the Company entered into sale and leaseback agreements with two financial institutions, whereby the Company transferred its machinery to the financial institutions at a price of approximately Baht 96 million and leased the machinery back from the financial institutions for a period of 4 years. The Company decided that these sale and leaseback transactions would not be accounted for as a sale of assets and, therefore, continues to record the machinery in property, plant and equipment, while recording the cash received from the financial institutions under lease liabilities.

As at 31 December 2021, the Company has mortgaged its property, plant and equipment with net book value of approximately Baht 105 million (2020: Baht 82 million) to secure the credit facilities obtained from financial institutions.

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 497 million (2020: Baht 388 million).

## 16. Intangible assets

(Unit: Thousand Baht)

|                                | Consolidated/Separate financial statements |               |
|--------------------------------|--|---------------|
|                                | <u>2021</u>                                | <u>2020</u>   |
| Computer software - cost       | 26,081                                     | 23,752        |
| Less: Accumulated amortisation | (8,307)                                    | (5,810)       |
| Net book value                 | <u>17,774</u>                              | <u>17,942</u> |

(Unit: Thousand Baht)

|   | Consolidated/Separate financial statements |               |
|---|--|---------------|
|   | <u>2021</u>                                | <u>2020</u>   |
| Net book value at beginning of year         | 17,942                                     | 7,041         |
| Acquisitions                                | 711  | 459           |
| Transfer from property, plant and equipment | 1,618                                      | 12,922        |
| Amortisation expenses for the year          | (2,497)                                    | (2,383)       |
| Write-off                                   | -  | (97)          |
| Net book value at end of year               | <u>17,774</u>                              | <u>17,942</u> |

**17. Bank overdrafts and short-term loans from financial institutions**

(Unit: Thousand Baht)

|                  | Interest rate |             | Consolidated         |                | Separate             |                |
|------------------|---------------|-------------|----------------------|----------------|----------------------|----------------|
|                  |               |             | financial statements |                | financial statements |                |
|                  | <u>2021</u>   | <u>2020</u> | <u>2021</u>          | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
|                  | (% p.a.)      | (% p.a.)    |                      |                |                      |                |
| Bank overdrafts  | 5.53 - 6.95   | 5.70 - 6.95 | 56,638               | 29,875         | 56,638               | 29,875         |
| Promissory notes | 3.25 - 5.25   | 3.25 - 5.35 | 663,294              | 599,828        | 663,294              | 599,828        |
| Trust receipts   | 4.10          | 4.10 - 5.25 | 41,183               | 143,083        | 41,183               | 143,083        |
| Total            |               |             | <u>761,115</u>       | <u>772,786</u> | <u>761,115</u>       | <u>772,786</u> |

The Company's bank overdrafts are secured by the mortgage of the Company's and a director's land and construction and guaranteed provided by the Company's directors. The short-term loans from a financial institution under promissory notes are secured by the pledge of a fixed deposit and the transfer of the rights to collect settlement from the Company's debtors for the work performed on some projects. Trust receipts are secured by the mortgage of machinery, the pledge of a fixed deposit, the transfer of the rights to collect settlement from the Company's debtors for the work performed on some projects and guaranteed by the Company's directors.

**18. Trade and other payables**

(Unit: Thousand Baht)

|  | Consolidated         |                | Separate             |                |
|--|----------------------|----------------|----------------------|----------------|
|  | financial statements |                | financial statements |                |
|  | <u>2021</u>          | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Trade payables - related parties         | 7,330                | 195            | 7,330                | 195            |
| Trade payables - unrelated parties       | 561,002              | 755,465        | 560,331              | 753,109        |
| Other payables - related parties         | 32,363               | -              | 36,709               | 5,558          |
| Other payables - unrelated parties       | 13,847               | 11,379         | 12,314               | 10,829         |
| Accounts payable for purchases of assets | 7,994                | 10,535         | 7,994                | 10,535         |
| Accrued expenses                         | 56,366               | 35,377         | 55,996               | 33,449         |
| Total trade and other payables           | <u>678,902</u>       | <u>812,951</u> | <u>680,674</u>       | <u>813,675</u> |

## 19. Long-term loans from financial institutions

|   |  |   | (Unit: Thousand Baht) |           |
|---|--|---|-----------------------|-----------|
|   |  |   | Consolidated/Separate |           |
|   |  |   | financial statements  |           |
| Loan  | Interest rate<br>(%)   | Repayment schedule  | 2021                  | 2020      |
| 1   | MLR  | Repayment at not less than 15% of each time a payment for construction work is received, and the final installment is due when the construction project is completed by 70% | -                     | 12,388    |
| 2   | MLR - 1.5  | Repayable in monthly installments, and the final installment is due in July 2023  | 3,674                 | 5,602     |
| 3   | MLR  | Repayment at not less than 15% of each time a payment for construction work is received, and the final installment is due within May 2023                                   | 56,181                | 86,967    |
| 4   | 2.0 for the 1 <sup>st</sup> - 2 <sup>nd</sup> years,<br>Prime rate - 2.0 for<br>the 3 <sup>rd</sup> - 5 <sup>th</sup> years and<br>Prime rate for the<br>remaining years | Repayable in monthly installments, and the final installment is due in December 2027  | 52,459                | 49,191    |
| 5   | MOR - 1.0  | Repayable in monthly installments, and the final installment is due in August 2025  | 22,086                | -         |
| 6   | MOR  | Repayable in monthly installments, and the final installment is due in September 2025   | 9,289                 | -         |
| 7   | MLR - 0.5  | Repayable in quarterly installments, and the final installment is due in October 2024   | 75,000                | -         |
| 8   | MOR  | Repayable in monthly installments, and the final installment is due in December 2025  | 5,500                 | -         |
| Total   |  |   | 224,189               | 154,148   |
| Less: Current portion   |  |   | (146,813)             | (106,032) |
| Long-term loans from financial institutions, net of current portion |  |   | 77,376                | 48,116    |

Movement of the long-term loans account during the years ended 31 December 2021 and 2020 are summarised below.

|  |  |  | (Unit: Thousand Baht) |           |
|--|--|--|-----------------------|-----------|
|  |  |  | Consolidated/Separate |           |
|  |  |  | financial statements  |           |
|  |  |  | 2021                  | 2020      |
| Balance at beginning of year               |  |  | 154,148               | 196,798   |
| Add: Additional borrowings during the year |  |  | 123,949               | 148,991   |
| Less: Repayment during the year            |  |  | (53,908)              | (191,641) |
| Balance at end of year                     |  |  | 224,189               | 154,148   |

Long-term loans from financial institutions are secured by the mortgage of land, construction and machinery, the pledge of the Company's fixed deposit and negotiable certificate of deposit, the transfer of rights over collection of revenue from construction projects and guaranteed by the Company's directors.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2021, the Company was unable to maintain the debt service coverage ratio (DSCR) stipulated in the loan agreement with a commercial bank (Loan no.4). To comply with generally accepted accounting principles, the Company therefore reclassified the loan which do not due within one year under the loan agreement of Baht 44 million as current portion of long-term loans from financial institutions.

As at 31 December 2021, there were no long-term credit facilities of the Company which have not yet been drawn down (2020: Baht 41 million).

## 20. Leases

### 20.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 9 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

|                           | Consolidated/Separate financial statements |           |                            |       |                |          |
|---------------------------|--|-----------|----------------------------|-------|----------------|----------|
|                           | Land                                       | Buildings | Machinery<br>and equipment | Tools | Motor vehicles | Total    |
| 1 January 2020            | 11,463                                     | 7,422     | 400,670                    | -     | 36,961         | 456,516  |
| Additions                 | -  | -         | 26,275                     | -     | 2,717          | 28,992   |
| Depreciation for the year | (2,067)                                    | (1,036)   | (72,777)                   | -     | (6,582)        | (82,462) |
| 31 December 2020          | 9,396                                      | 6,386     | 354,168                    | -     | 33,096         | 403,046  |
| Additions                 | 3,251                                      | 241       | 82,383                     | 2,477 | 18,662         | 107,014  |
| Disposals/write off       | -  | -         | -                          | -     | (184)          | (184)    |
| Transfers in              | -  | -         | 841                        | -     | -              | 841      |
| Depreciation for the year | (2,488)                                    | (1,156)   | (74,692)                   | (154) | (7,075)        | (85,565) |
| 31 December 2021          | 10,159                                     | 5,471     | 362,700                    | 2,323 | 44,499         | 425,152  |

**b) Lease liabilities**

(Unit: Thousand Baht)

|   | Consolidated/Separate financial statements |                                      |           |                           |
|---|--|--------------------------------------|-----------|---------------------------|
|   | As at 31 December 2021                     |                                      |           | As at<br>31 December 2020 |
|   | Lease liabilities                          | Sale and<br>leaseback<br>liabilities | Total     | Lease liabilities         |
| Lease payments                                | 184,577                                    | 97,524                               | 282,101   | 193,609                   |
| Less: Deferred interest<br>expenses           | (10,669)                                   | (6,331)                              | (17,000)  | (11,574)                  |
| Total lease liabilities                       | 173,908                                    | 91,193                               | 265,101   | 182,035                   |
| Less: Portion due within one year             | (82,207)                                   | (22,849)                             | (105,056) | (103,643)                 |
| Lease liabilities - net of current<br>portion | 91,701                                     | 68,344                               | 160,045   | 78,392                    |

A maturity analysis of lease payments is disclosed in Note 33.2 to the financial statements under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

|   | Consolidated/Separate<br>financial statements |             |
|---|---|-------------|
|   | <u>2021</u>                                   | <u>2020</u> |
| Depreciation of right-of-use assets             | 85,565  | 82,462      |
| Interest expenses on lease liabilities          | 9,159   | 11,612      |
| Expenses relating to short-term leases          | 4,438   | 1,500       |
| Expenses relating to leases of low-value assets | 803   | 211         |

**d) Others**

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 140 million (2020: Baht 101 million), including the cash outflow related to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

**21. Provision for long-term employee benefits**

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

|   | (Unit: Thousand Baht)                         |               |
|---|---|---------------|
|   | Consolidated/Separate<br>financial statements |               |
|   | <u>2021</u>                                   | <u>2020</u>   |
| <b>Provision for long-term employee benefits at beginning of year</b> | 59,194  | 47,683        |
| Included in profit or loss:   |   |               |
| Current service cost  | 14,839  | 13,349        |
| Interest cost   | 542   | 449           |
| Included in other comprehensive income:                               |   |               |
| Actuarial (gain) loss arising from                                    |   |               |
| Demographic assumptions changes                                       | -   | 1,309         |
| Financial assumption changes  | -   | 6,247         |
| Experience adjustments  | -   | (9,464)       |
| Benefits paid during the year   | (7,672)                                       | (379)         |
| <b>Provision for long-term employee benefits at end of year</b>       | <u>66,903</u>                                 | <u>59,194</u> |

The Company expects to pay Baht 7 million of long-term employee benefits during the next year (2020: Baht 8 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 6 years (2020: 6 years).

Significant actuarial assumptions are summarised below.

|                      | (Unit: Percent per annum)                     |             |
|----------------------|---|-------------|
|                      | Consolidated/Separate<br>financial statements |             |
|                      | <u>2021</u>                                   | <u>2020</u> |
| Discount rate        | 0.98%   | 0.98%       |
| Salary increase rate | 8.0%  | 8.0%        |
| Turnover rate        | 0 - 35%                                       | 0 - 35%     |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

|                      | Consolidated/Separate financial statements |             |                        |             |
|----------------------|--|-------------|------------------------|-------------|
|                      | As at 31 December 2021                     |             | As at 31 December 2020 |             |
|                      | Increase 1%                                | Decrease 1% | Increase 1%            | Decrease 1% |
| Discount rate        | (4)  | 4           | (3)                    | 3           |
| Salary increase rate | 4  | (4)         | 3                      | (3)         |
| Turnover rate        | (4)  | 2           | (3)                    | 2           |

## 22. Share Capital

22.1 On 10 June 2020, the Extraordinary General Meeting of the Company's shareholders No. 1/2020 passed special resolutions approving the following significant matters:

- A change in the par value of the Company's ordinary shares from Baht 100 per share to Baht 0.50 per share, such that the Company's registered and issued and paid-up share capital was changed from 4,000,000 ordinary shares with a par value of Baht 100 each to 800,000,000 ordinary shares with a par value of Baht 0.50 each. The Company registered the change in the par value of its ordinary shares with the Ministry of Commerce on 11 June 2020.
- An increase in the Company's registered share capital from Baht 400 million (800,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 550 million (1,100,000,000 ordinary shares with a par value of Baht 0.50 each) through the issuance of 300,000,000 new ordinary shares with a par value of Baht 0.50 each to be allocated to the initial public offering (IPO) of the Company, with not more than 25% of IPO shares to be offered to related persons, employees and sponsors. The Company registered the increase in its registered share capital with the Ministry of Commerce on 11 June 2020.

22.2 During 3 to 5 November 2020, the Company made an initial public offering of 300,000,000 newly issued ordinary shares with a par value of Baht 0.50 each, at an offering price of Baht 1.92 per share, amounting to Baht 576 million. Subsequently on 6 November 2020, the Company has received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 400 million (800,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 550 million (1,100,000,000 ordinary shares with a par value of Baht 0.50 each) with the Ministry of Commerce on the same date. The Stock Exchange of Thailand approved the Company's ordinary shares as listed securities, with trading permitted on 12 November 2020.

The Company incurred expenses relating to the share offering amounting to approximately Baht 14.8 million (net of income tax of Baht 3.7 million), and these expenses were recorded as a deduction against share premium.

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 24. Finance cost

|  | (Unit: Thousand Baht) |               |                      |               |
|--|-----------------------|---------------|----------------------|---------------|
|  | Consolidated          |               | Separate             |               |
|  | financial statements  |               | financial statements |               |
|  | <u>2021</u>           | <u>2020</u>   | <u>2021</u>          | <u>2020</u>   |
| Interest expenses on borrowings        | 44,361                | 55,973        | 44,361               | 55,721        |
| Interest expenses on lease liabilities | 9,159                 | 11,612        | 9,159                | 11,612        |
| Total                                  | <u>53,520</u>         | <u>67,585</u> | <u>53,520</u>        | <u>67,333</u> |

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

|   | (Unit: Thousand Baht) |             |                      |             |
|---|-----------------------|-------------|----------------------|-------------|
|   | Consolidated          |             | Separate             |             |
|   | financial statements  |             | financial statements |             |
|   | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Salaries, wages and other employee benefits | 707,641               | 672,625     | 706,514              | 667,137     |
| Depreciation and amortisation               | 155,051               | 186,302     | 154,706              | 186,034     |
| Construction materials and consumables used | 1,120,896             | 1,123,026   | 1,120,896            | 1,115,996   |
| Subcontractors costs                        | 176,123               | 322,692     | 176,123              | 315,140     |
| Repair and maintenance expenses             | 31,659                | 20,463      | 31,659               | 20,447      |

## 26. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

|   | (Unit: Thousand Baht) |               |                      |               |
|---|-----------------------|---------------|----------------------|---------------|
|   | Consolidated          |               | Separate             |               |
|   | financial statements  |               | financial statements |               |
|   | <u>2021</u>           | <u>2020</u>   | <u>2021</u>          | <u>2020</u>   |
| <b>Current income tax:</b>                                    |                       |               |                      |               |
| Current income tax charge for the year                        | 3,001                 | 54,025        | 2,911                | 52,900        |
| <b>Deferred tax:</b>  |                       |               |                      |               |
| Relating to origination and reversal of temporary differences | 1,299                 | 3,706         | 1,299                | 3,706         |
| <b>Income tax expenses reported in profit or loss</b>         | <u>4,300</u>          | <u>57,731</u> | <u>4,210</u>         | <u>56,606</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

|   | (Unit: Thousand Baht) |             |                      |             |
|---|-----------------------|-------------|----------------------|-------------|
|   | Consolidated          |             | Separate             |             |
|   | financial statements  |             | financial statements |             |
|   | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Deferred tax relating to actuarial gain | -                     | 382         | -                    | 382         |

The amounts of income tax that recognised directly in equity for the years ended 31 December 2021 and 2020 are as follows:

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <b>Current income tax:</b>                                       |                       |             |                      |             |
| Current income tax on transaction costs for issued share capital | -                     | (3,696)     | -                    | (3,696)     |

The reconciliation between accounting profit and income tax expenses is shown below.

|  | (Unit: Thousand Baht) |                |                      |                |
|--|-----------------------|----------------|----------------------|----------------|
|  | Consolidated          |                | Separate             |                |
|  | financial statements  |                | financial statements |                |
|  | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Accounting profit before tax                               | <u>45,838</u>         | <u>295,854</u> | <u>43,131</u>        | <u>295,758</u> |
| Applicable tax rate  | 20%                   | 20%            | 20%                  | 20%            |
| Accounting profit before tax multiplied by income tax rate | 9,168                 | 59,171         | 8,626                | 59,151         |
| Effects of:  |                       |                |                      |                |
| Non-deductible expenses                                    | 5,411                 | 4,741          | 6,412                | 4,347          |
| Additional expense deductions allowed                      | (12,378)              | (9,647)        | (11,649)             | (9,647)        |
| Unused tax losses  | 1,292                 | 950            | 14                   | 239            |
| Others   | 807                   | 2,516          | 807                  | 2,516          |
| Total  | <u>(4,868)</u>        | <u>(1,440)</u> | <u>(4,416)</u>       | <u>(2,545)</u> |
| Income tax expenses reported in profit or loss             | <u>4,300</u>          | <u>57,731</u>  | <u>4,210</u>         | <u>56,606</u>  |

The components of deferred tax assets and deferred tax liabilities as at 31 December 2021 and 2020 are as follows:

|  | (Unit: Thousand Baht) |               |                      |               |
|--|-----------------------|---------------|----------------------|---------------|
|  | Consolidated          |               | Separate             |               |
|  | financial statements  |               | financial statements |               |
|  | <u>2021</u>           | <u>2020</u>   | <u>2021</u>          | <u>2020</u>   |
| <b>Deferred tax assets</b>                       |                       |               |                      |               |
| Unbilled receivables                             | 2,297                 | 5,089         | 2,297                | 5,089         |
| Allowance for expected credit losses             | -                     | 3,627         | -                    | 3,627         |
| Allowance for diminution in value of inventories | 396                   | 427           | 396                  | 427           |
| Value of property, plant and equipment           | 6,126                 | 11,677        | 6,126                | 11,677        |
| Short-term provisions                            | -                     | 964           | -                    | 964           |
| Provision for long-term employee benefits        | 13,381                | 11,838        | 13,381               | 11,838        |
| Provision for losses on construction projects    | -                     | 191           | -                    | 191           |
| Unused tax losses                                | 10,646                | 332           | 10,314               | -             |
| Total  | <u>32,846</u>         | <u>34,145</u> | <u>32,514</u>        | <u>33,813</u> |

As at 31 December 2021, the Group has deductible temporary differences totaling Baht 18 million (2020: Baht 13 million) (the Company only: Baht 16 million, 2020: Baht 11 million) on which deferred tax assets have not been recognised as the Group believes that they might not be used to offset taxable income in the future.

As at 31 December 2021, the subsidiaries have unused tax losses amounting to Baht 29 million (2020: Baht 22 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire within 2026.

## 27. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share for the years ended 31 December 2021 and 2020:

|  | Consolidated         |             | Separate             |             |
|--|----------------------|-------------|----------------------|-------------|
|  | financial statements |             | financial statements |             |
|  | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Profit for the year attributable to equity holders |                      |             |                      |             |
| of the Company (Thousand Baht)                     | 41,595               | 238,148     | 38,921               | 239,151     |
| Weighted average number of ordinary shares         |                      |             |                      |             |
| (Thousand shares)                                  | 1,100,000            | 845,902     | 1,100,000            | 845,902     |
| Earnings per share (Baht per share)                | 0.04                 | 0.28        | 0.04                 | 0.28        |

## 28. Dividend

On 23 April 2021, the Annual General Meeting of the Company's shareholders passed the resolution to approve a dividend payment of Baht 0.085 per share, a total of Baht 93.5 million. This dividend was paid to the shareholders on 21 May 2021.

## 29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Chairman of the Executive Board.

The Group is principally engaged in the provision of construction services, underground rock and dam excavation, and other construction work and operate in the two geographic areas of Thailand and overseas (Myanmar, The Lao People's Democratic Republic and Cambodia).

The performance of operating segments is measured on a basis consistent with that used to determine the profit or loss of the operations reported in the financial statements. Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profits by geographic segment per the consolidated financial statements for the years ended 31 December 2021 and 2020:

|   | (Unit: Million Baht) |             |                  |             |              |             |
|---|----------------------|-------------|------------------|-------------|--------------|-------------|
|   | Thailand segment     |             | Overseas segment |             | Consolidated |             |
|   | <u>2021</u>          | <u>2020</u> | <u>2021</u>      | <u>2020</u> | <u>2021</u>  | <u>2020</u> |
| Revenue from external customers                               | 2,358                | 2,723       | 115              | 121         | 2,473        | 2,844       |
| Segment profit  | 290                  | 564         | 26               | 25          | 316          | 589         |
| Unallocated income (expenses):                                |                      |             |                  |             |              |             |
| Exchange gain   |                      |             |                  |             | 4            | 1           |
| Other income  |                      |             |                  |             | 15           | 16          |
| Administrative expenses                                       |                      |             |                  |             | (256)        | (246)       |
| Reversal of allowance for<br>expected credit losses           |                      |             |                  |             | 19           | -           |
| Finance income  |                      |             |                  |             | 2            | 3           |
| Finance cost  |                      |             |                  |             | (54)         | (67)        |
| Income tax expenses   |                      |             |                  |             | (4)          | (58)        |
| Profit for the year   |                      |             |                  |             | <u>42</u>    | <u>238</u>  |
| Non-current assets  |                      |             |                  |             |              |             |
| (Other than financial instruments<br>and deferred tax assets) | 856                  | 858         | 2                | 3           | 858          | 861         |

### Major customers

During the current year, the Group had revenues from provision of construction services to major customers, which consisted of three government agencies and two private customers, amounting to Baht 1,860 million, arising from Thailand segment (2020: revenues from two government agencies and a private customer, amounting to Baht 1,924 million, arising from Thailand segment).

### 30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rates of 2 - 15 percent of basic salary. The fund, which is managed by MFC Asset management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 9.5 million (2020: Baht 8.1 million) were recognised as expenses.

### 31. Commitments and contingent liabilities

#### 31.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 46 million (2020: Baht 75 million), relating to building improvements and the acquisitions of machinery and equipment.

#### 31.2 Service agreements

As at 31 December 2021, the Company had commitments totaling Baht 3 million under various service agreements (2020: Baht 1 million).

#### 31.3 Guarantees

- a) As at 31 December 2021, the Company has provided guarantees totaling Baht 64 million (2020: Baht 162 million) for bank credit facilities on behalf of two subsidiaries.
- b) As at 31 December 2021 and 2020, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. The details of bank guarantees are as follows:

|  | (Unit: Million Baht) |              |                      |              |
|--|----------------------|--------------|----------------------|--------------|
|  | Consolidated         |              | Separate             |              |
|  | financial statements |              | financial statements |              |
|  | <u>2021</u>          | <u>2020</u>  | <u>2021</u>          | <u>2020</u>  |
| Guarantee of construction contracts,<br>bidding and debt repayment | 959                  | 1,452        | 899                  | 1,395        |
| Guarantee of advance payment bond<br>and retention                 | 1,490                | 1,588        | 1,486                | 1,483        |
| Other guarantees   | 33                   | 71           | 33                   | 71           |
| Total  | <u>2,482</u>         | <u>3,111</u> | <u>2,418</u>         | <u>2,949</u> |

## 32. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value or for which fair value were disclosed, using different levels of inputs as follows:

(Unit: Million Baht)

|   | Consolidated/Separate financial statements |             |             |             |             |             |             |             |
|---|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | Level 1                                    |             | Level 2     |             | Level 3     |             | Total       |             |
|   | <u>2021</u>                                | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| <b>Assets measured at fair value</b>            |  |             |             |             |             |             |             |             |
| Derivatives                                     |  |             |             |             |             |             |             |             |
| Foreign exchange forward contracts              | -  | -           | 0.1         | -           | -           | -           | 0.1         | -           |
| <b>Asset for which fair value are disclosed</b> |  |             |             |             |             |             |             |             |
| Investment properties                           | -  | -           | -           | -           | 4.2         | 4.2         | 4.2         | 4.2         |

## 33. Financial instruments

### 33.1 Derivatives

(Unit: Million Baht)

|                                    | Consolidated         |             | Separate             |             |
|------------------------------------|----------------------|-------------|----------------------|-------------|
|                                    | financial statements |             | financial statements |             |
|                                    | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <b>Derivative assets</b>           |                      |             |                      |             |
| Foreign exchange forward contracts | 73                   | -           | 73                   | -           |
| <b>Total derivative assets</b>     | 73                   | -           | 73                   | -           |

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 12 months.

### 33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise the following:

| <u>Financial assets</u>       | <u>Financial liabilities</u>                                       |
|-------------------------------|--|
| - Cash and cash equivalents   | - Bank overdrafts and short-term loans from financial institutions |
| - Trade and other receivables | - Trade and other payables   |
| - Restricted bank deposits    | - Short-term loan from related party                               |
| - Retention receivables       | - Lease liabilities  |
|                               | - Long-term loans from financial institutions                      |

The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade receivables, contract assets and cash at banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables and contract assets***

The Group is exposed to credit risk primarily with respect to trade receivables and contract assets. However, since the majority of the Group's construction contracts are made with government agencies and other creditworthy customers, they do not anticipate material losses from their debt collection outside those for which provision has already been set aside.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation of impairment reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### ***Cash at banks***

The Group manages the credit risk from balances with banks by making investments only with approved counterparties. The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The details are as follows:

### Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

| Currency  | Consolidated/Separate financial statements |           |                       |           | Average exchange rate              |       |
|-----------|--|-----------|-----------------------|-----------|------------------------------------|-------|
|           | Financial assets                           |           | Financial liabilities |           |                                    |       |
|           | 2021                                       | 2020      | 2021                  | 2020      | 2021                               | 2020  |
|           | (Million)                                  | (Million) | (Million)             | (Million) | (Baht per 1 foreign currency unit) |       |
| US dollar | 2  | 3         | -                     | 2         | 33.42                              | 30.04 |

As at 31 December 2021, the outstanding forward exchange contracts are summarised below.

| Currency  | Sales Contracts |                                    |               | Purchases Contracts |                                    |               |
|-----------|-----------------|------------------------------------|---------------|---------------------|------------------------------------|---------------|
|           | Amount          | Contractual                        | Exchange rate | Amount              | Contractual                        | Exchange rate |
|           |                 | exchange rate                      | on fair value |                     | exchange rate                      | on fair value |
|           | (Million)       | (Baht per 1 foreign currency unit) |               | (Million)           | (Baht per 1 foreign currency unit) |               |
| US dollar | 0.5             | 33.57 - 33.60                      | 33.43         | -                   | -                                  | -             |

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in the US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

| Currency  | 2021              |                  | 2020              |                  |
|-----------|-------------------|------------------|-------------------|------------------|
|           | Change in FX rate | Effect on profit | Change in FX rate | Effect on profit |
|           |                   | before tax       |                   | before tax       |
|           | (%)               | (Million Baht)   | (%)               | (Million Baht)   |
| US dollar | +10               | 4                | +10               | 3                |
|           | -10               | (4)              | -10               | (3)              |

***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its interest-bearing cash at banks and short-term and long-term borrowings. However, because most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group does not use derivatives to manage its interest rate risk.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

## Consolidated financial statements

|  | 2021                 |             |              |                        |                      |       |                                       | 2020                 |             |              |                        |                      |       |                                       |
|--|----------------------|-------------|--------------|------------------------|----------------------|-------|---------------------------------------|----------------------|-------------|--------------|------------------------|----------------------|-------|---------------------------------------|
|  | Fixed interest rates |             |              |                        |                      |       |                                       | Fixed interest rates |             |              |                        |                      |       |                                       |
|  | Within 1 year        |             |              | Over 5 years           |                      |       |                                       | Within 1 year        |             |              | Over 5 years           |                      |       |                                       |
|  | 1 year               | 1 - 5 years | Over 5 years | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) | 1 year               | 1 - 5 years | Over 5 years | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
| <b>Financial assets</b>  |                      |             |              |                        |                      |       |                                       |                      |             |              |                        |                      |       |                                       |
| Cash and cash equivalents  | -                    | -           | -            | 48                     | 24                   | 72    | Note 7                                | -                    | -           | -            | 263                    | 90                   | 353   | Note 7                                |
| Trade and other receivables                                      | -                    | -           | -            | -                      | 397                  | 397   | -                                     | -                    | -           | -            | -                      | 647                  | 647   | -                                     |
| Restricted bank deposits   | 256                  | -           | -            | -                      | -                    | 256   | 0.10 - 1.30                           | 245                  | 45          | -            | -                      | -                    | 290   | 0.30 - 1.50                           |
| Retention receivables  | -                    | -           | -            | -                      | 237                  | 237   | -                                     | -                    | -           | -            | -                      | 287                  | 287   | -                                     |
|  | 256                  | -           | -            | 48                     | 658                  | 962   |                                       | 245                  | 45          | -            | 263                    | 1,024                | 1,577 |                                       |
| <b>Financial liabilities</b>                                     |                      |             |              |                        |                      |       |                                       |                      |             |              |                        |                      |       |                                       |
| Bank overdrafts and short-term loans from financial institutions | 704                  | -           | -            | 57                     | -                    | 761   | Note 17                               | 743                  | -           | -            | 30                     | -                    | 773   | Note 17                               |
| Trade and other payables   | 216                  | -           | -            | -                      | 463                  | 679   | 0.75 - 1.75                           | 252                  | -           | -            | -                      | 561                  | 813   | 0.75 - 1.75                           |
| Long-term loans from financial institutions                      | -                    | -           | -            | 224                    | -                    | 224   | Note 19                               | -                    | -           | -            | 154                    | -                    | 154   | Note 19                               |
| Lease liabilities  | 105                  | 160         | -            | -                      | -                    | 265   | 3.35 - 13.23                          | 104                  | 78          | -            | -                      | -                    | 182   | 3.44 - 13.23                          |
|  | 1,025                | 160         | -            | 281                    | 463                  | 1,929 |                                       | 1,099                | 78          | -            | 184                    | 561                  | 1,922 |                                       |

| Separate financial statements                                    |                      |             |              |                        |                      |  |                      |               |             |              |                        |  |                      |              |  |
|--|----------------------|-------------|--------------|------------------------|----------------------|--|----------------------|---------------|-------------|--------------|------------------------|--|----------------------|--------------|--|
|  | 2021                 |             |              |                        |                      |  |                      |               | 2020        |              |                        |  |                      |              |  |
|  | Fixed interest rates |             |              |                        |                      | Effective interest rate<br>(% per annum) | Fixed interest rates |               |             |              |                        | Effective interest rate<br>(% per annum) |                      |              |  |
|  | Within 1 year        | 1 - 5 years | Over 5 years | Floating interest rate | Non-interest bearing |  | Total                | Within 1 year | 1 - 5 years | Over 5 years | Floating interest rate |  | Non-interest bearing | Total        |  |
|  |                      |             |              |                        |                      |  |                      |               |             |              |                        |  |                      |              |  |
| <b>Financial assets</b>  |                      |             |              |                        |                      |  |                      |               |             |              |                        |  |                      |              |  |
| Cash and cash equivalents  | -                    | -           | -            | 48                     | 14                   | 62                                       | Note 7               | -             | -           | -            | 264                    | 81                                       | 345                  | Note 7       |  |
| Trade and other receivables                                      | -                    | -           | -            | -                      | 376                  | 376                                      | -                    | -             | -           | -            | -                      | 686                                      | 686                  | -            |  |
| Restricted bank deposits   | 250                  | -           | -            | -                      | -                    | 250                                      | 0.10 - 1.30          | 243           | 44          | -            | -                      | -  | 287                  | 0.30 - 1.50  |  |
| Retention receivables  | -                    | -           | -            | -                      | 241                  | 241                                      | -                    | -             | -           | -            | -                      | 291                                      | 291                  | -            |  |
|  | 250                  | -           | -            | 48                     | 631                  | 929                                      |                      | 243           | 44          | -            | 264                    | 1,058                                    | 1,609                |              |  |
| <b>Financial liabilities</b>                                     |                      |             |              |                        |                      |  |                      |               |             |              |                        |  |                      |              |  |
| Bank overdrafts and short-term loans from financial institutions | 704                  | -           | -            | 57                     | -                    | 761                                      | Note 17              | 743           | -           | -            | 30                     | -  | 773                  | Note 17      |  |
| Trade and other payables   | 216                  | -           | -            | -                      | 465                  | 681                                      | 0.75 - 1.75          | 252           | -           | -            | -                      | 562                                      | 814                  | 0.75 - 1.75  |  |
| Short-term loan from related party                               | -                    | -           | -            | -                      | 17                   | 17                                       | -                    | -             | -           | -            | -                      | 17                                       | 17                   | -            |  |
| Long-term loans from financial institutions                      | -                    | -           | -            | 224                    | -                    | 224                                      | Note 19              | -             | -           | -            | 154                    | -  | 154                  | Note 19      |  |
| Lease liabilities  | 105                  | 160         | -            | -                      | -                    | 265                                      | 3.35 - 13.23         | 104           | 78          | -            | -                      | -  | 182                  | 3.44 - 13.23 |  |
|  | 1,025                | 160         | -            | 281                    | 482                  | 1,948                                    |                      | 1,099         | 78          | -            | 184                    | 579                                      | 1,940                |              |  |

The following table demonstrates the sensitivity of the Group's interest expenses expected to be paid within next year to changes in interest rates on loans with floating rates, calculated on outstanding long-term loan balance as at 31 December 2021 and 2020, regardless of the expiration date of each loan contract.

| Currency | 2021                  |                                | 2020                  |                                |
|----------|-----------------------|--------------------------------|-----------------------|--------------------------------|
|          | Increase/<br>decrease | Effect on profit<br>before tax | Increase/<br>decrease | Effect on profit<br>before tax |
|          | (%)                   | (Million Baht)                 | (%)                   | (Million Baht)                 |
| Baht     | +1                    | (2)                            | +1                    | (2)                            |
|          | -1                    | 2                              | -1                    | 2                              |

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group considers that the liquidity risk is low since the Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. In addition, the Group has financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

|   | Consolidated financial statements |                     |                 |           |           |
|---|-----------------------------------|---------------------|-----------------|-----------|-----------|
|   | As at 31 December 2021            |                     |                 |           |           |
|   | On<br>demand                      | Less than<br>1 year | 1 to 5<br>years | > 5 years | Total     |
| <b>Non-derivatives</b>                      |                                   |                     |                 |           |           |
| Bank overdrafts and short-term loans        |                                   |                     |                 |           |           |
| from financial institutions                 | -                                 | 765,450             | -               | -         | 765,450   |
| Trade and other payables                    | -                                 | 679,227             | -               | -         | 679,227   |
| Long-term loans from financial institutions | -                                 | 147,103             | 92,273          | -         | 239,376   |
| Lease liabilities                           | -                                 | 113,286             | 168,550         | 264       | 282,100   |
| <b>Total non-derivatives</b>                | -                                 | 1,705,066           | 260,823         | 264       | 1,966,153 |

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2020

|   | On<br>demand | Less than<br>1 year | 1 to 5<br>years | > 5 years | Total     |
|---|--------------|---------------------|-----------------|-----------|-----------|
| <b>Non-derivatives</b>                      |              |                     |                 |           |           |
| Bank overdrafts and short-term loans        |              |                     |                 |           |           |
| from financial institutions                 | -            | 778,737             | -               | -         | 778,737   |
| Trade and other payables                    | -            | 813,330             | -               | -         | 813,330   |
| Long-term loans from financial institutions | -            | 109,993             | 36,865          | 15,605    | 162,463   |
| Lease liabilities                           | -            | 110,692             | 79,485          | 3,432     | 193,609   |
| <b>Total non-derivatives</b>                | -            | 1,812,752           | 116,350         | 19,037    | 1,948,139 |

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2021

|   | On<br>demand | Less than<br>1 year | 1 to 5<br>years | > 5 years | Total     |
|---|--------------|---------------------|-----------------|-----------|-----------|
| <b>Non-derivatives</b>                      |              |                     |                 |           |           |
| Bank overdrafts and short-term loans        |              |                     |                 |           |           |
| from financial institutions                 | -            | 765,450             | -               | -         | 765,450   |
| Trade and other payables                    | -            | 680,999             | -               | -         | 680,999   |
| Short-term loan from related party          | 17,040       | -                   | -               | -         | 17,040    |
| Long-term loans from financial institutions | -            | 147,103             | 92,273          | -         | 239,376   |
| Lease liabilities                           | -            | 113,286             | 168,550         | 264       | 282,100   |
| <b>Total non-derivatives</b>                | 17,040       | 1,706,838           | 260,823         | 264       | 1,984,965 |

(Unit: Thousand Baht)

|   | Separate financial statements |                  |                |               |                  |
|---|-------------------------------|------------------|----------------|---------------|------------------|
|   | As at 31 December 2020        |                  |                |               |                  |
|   | On demand                     | Less than 1 year | 1 to 5 years   | > 5 years     | Total            |
| <b>Non-derivatives</b>                      |                               |                  |                |               |                  |
| Bank overdrafts and short-term loans        |                               |                  |                |               |                  |
| from financial institutions                 | -                             | 778,737          | -              | -             | 778,737          |
| Trade and other payables                    | -                             | 814,136          | -              | -             | 814,136          |
| Short-term loan from related party          | 17,040                        | -                | -              | -             | 17,040           |
| Long-term loans from financial institutions | -                             | 109,993          | 36,865         | 15,605        | 162,463          |
| Lease liabilities                           | -                             | 110,692          | 79,485         | 3,432         | 193,609          |
| <b>Total non-derivatives</b>                | <b>17,040</b>                 | <b>1,813,558</b> | <b>116,350</b> | <b>19,037</b> | <b>1,965,985</b> |

### 33.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. the Group had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

## 34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 1.93:1 (2020: 1.92:1) and the Company's debt-to-equity ratio was 1.91:1 (2020: 1.93:1).

**35. Events after the reporting period**

On 28 February 2022, a meeting of the Company's Board of Directors passed resolutions on the following significant matters.

- Issue and offer up to Baht 2,000 million of debentures to investors.
- Issue up to 220,000,000 units of Warrants No.1 (RT-W1) and allocate them to the existing shareholders, without charge, at a ratio of 1 warrant for every 5 existing ordinary shares. The exercise ratio is 1 warrant per ordinary share and the exercise price is Baht 1.35 per share.
- Increase the Company's registered share capital from Baht 550 million to Baht 660 million, through the issuance of 220,000,000 new ordinary shares of Baht 0.50 each.
- Dividend payment of Baht 0.014 per share or a total of Baht 15.4 million.

These resolutions will be further proposed for approval by the Annual General Meeting of the shareholders.

**36. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.

# Certification of Information



## Appendix 1:

### Biographies of Directors, Executives, and Company Secretary

#### Independent Director

|  |   |
|--|---|
| 1. Name - Surname                                      | Dr. Songpope Polachan   |
| Position   | Chairman of the Board of Directors / Independent Director   |
| Age  | 68  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Doctor of Philosophy in Petroleum Geology, Royal Holloway and Bedford New College, University of London, UK</li> <li>- Bachelor of Science in Geology, Chiang Mai University</li> <li>- Certificate of Top Executives in the Energy Education Program, Thailand Energy Academy, Batch 2 (2013)</li> <li>- Certificate of Senior Executives on Justice Administration, National Justice Academy, Batch 3, (2012)</li> <li>- Diploma, National Defence College, The National Defence Course, Class 50, (2007)</li> <li>- Certificate of Advance Executive Program, Kellogg School of Management, Northwestern University, USA, B.E. 2550 (2007)</li> <li>- Certificate of ASEAN Executive Program, New York, USA. (2005)</li> <li>- Senior Executive Program, Office of the Civil Service Commission, Batch 42 (2004)</li> <li>- Certificate of The Board's Role in Strategic Formulation, Governance Matters, Australia</li> <li>- Certificate of Director Certification Program (DCP) Class 52/2547 (2004) Thai Institute of Directors (IOD) (2004)</li> <li>- Certificate of Director Accreditation Program (DAP) Class 23/2547 (2004) Thai Institute of Directors (IOD) (2004)</li> <li>- Finance for Non-Finance Director Program (FND) Class 9/2547, Thai Institute of Directors (IOD) (2004)</li> </ul> |
| Honorary Awards  | <ul style="list-style-type: none"> <li>- 2015 - Award of Excellence Committee of the Year B.E. 2558 (2015), IRPC Public Company Limited from National Corporate Governance Committee</li> <li>- 2015 - Award of Excellence Audit Committee of the Year B.E. 2558 (2015), IRPC Public Company Limited from National Corporate Governance</li> <li>- 2014 - Excellence in Energy Management, 2557 (2014), ASEAN Energy Awards 2014</li> <li>- 2005 - Honorary Award of Excellence Committee of the Year B.E. 2547-2548 (2004-2005), Bangchak Corporation Public Company Limited from National Corporate Governance</li> </ul>   |
| Shareholding in the Company                            | 0.18%   |
| Familial relationship between directors and executives | - None -  |

|            | Timeline            | Experience  |
|------------|---------------------|---|
| Experience | 2015-present        | Chairman of the Board of Directors, Right Tunnelling Public Company Limited                         |
|            | 2019-present        | Independent Director and Auditing Director, Stark Corporation Public Company Limited                |
|            | 2016-2017           | Chairman of the Audit Committee, IRPC Public Company Limited  |
|            | 2015-2016           | Auditing Director, IRPC Public Company Limited  |
|            | 2013-2015           | Nomination and Remuneration Director, IRPC Public Company Limited                                   |
|            | 2013-2015           | Nomination and Remuneration Director, RATCH Group Public Company Limited                            |
|            | 2009-2013           | Director, RATCH Group Public Company Limited  |
|            | 2007-2009           | Director, Ratchaburi Energy Co., LTD.   |
|            | 2011-2013           | Director, PTT Global Chemical Public Company Limited  |
|            | 2010-2013           | President of Geological Society of Thailand   |
|            | 2004-2006           | Director, Bangchak Corporation Public Company Limited   |
|            |                     |   |
| Officials  | 2019-present        | Public Sector Audit and Evaluation Committee (PAEC), Ministry of Energy                             |
|            | 2014-2015           | Advisor to the Minister of Energy   |
|            | Jul. 2014-Sep. 2014 | Inspector of the Ministry of Energy   |
|            | 2011-2014           | Director General, Department of Mineral Fuels, Ministry of Energy                                   |
|            | 2006-2011           | Deputy Director General, Department of Mineral Fuels, Ministry of Energy                            |
|            | 2002-2006           | Director-General of the Office of Trade Policy and Strategy Office, Ministry of Energy              |
|            | 2000-2002           | Head of Corporation and Development of International Energy Agency, Department of Mineral Resources |
|            | 1996-2000           | Deputy Chief Executive Officer (DCEO), Thai-Malaysian Joint Organization                            |
|            | 1992-1996           | Petroleum Evaluation and Development Department, Department of Mineral Fuels                        |
|            | 1975-1992           | Survey Control Department, Department of Mineral Fuels, Department of Mineral Resources             |

|  |   |   |
|--|---|---|
| 2. Name - Surname                                      | Dr. Boonthep Nanegrungsunk  |   |
| Position   | Chairman of Audit Committee / Independent Director  |   |
| Age  | 70  |   |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Doctor of Philosophy in Engineering, Dr.-Ing., Underground Construction Techniques, Tunnelling and Construction Management, Ruhr-University of Bochum, Germany (under scholarship from DAAD, Germany)</li> <li>- Master of Engineering, M.Eng., Geotechnical Engineering Diversion, Soil Engineering, Asian Institute of Technology, Thailand (under scholarship from AIT)</li> <li>- Bachelor of Engineering, B.Eng. (Hons), Silver Metal Award, Civil Engineering, Khon Kaen University</li> <li>- Certificate of Short Course on "Geotechnical Earthquake Engineering for Earthquake Hazard Mitigation" Department of Earthquake Engineering, University of Roorkee (under scholarship from UNESCO)</li> <li>- Certificate of Director Accreditation Program (DAP) Class 139/2017, Thai Institute of Directors (IOD)</li> </ul> |   |
| Shareholding in the Company                            | - None -  |   |
| Familial relationship between directors and executives | - None -  |   |
| Experience   | Timeline  | Experience  |
|  | 2017-present  | Independent Director / Chairman of the Audit Committee, Right Tunnelling Public Company Limited |
|  | present   | Senior Tunnel / Geotechnical Engineer   |
|  | To B.E. 2559 (2016)   | Director, Index International Group Co., Ltd.   |
|  | Lifelong  | Pensioner, Faculty of Sciences, Chiang Mai University   |
|  | 1977-2012   | Permanent lecturer in Civil Engineering Department, Faculty of Sciences, Chiang Mai University  |

|  |  |  |
|--|--|--|
| 3. Name - Surname                                      | Mr. Jumpot Kanjanapunyakom   |  |
| Position   | Chairman of Nomination and Remuneration Committee / Independent Director   |  |
| Age  | 71   |  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Master of Engineering (Soil Mechanic and Foundation Engineering), Asian Institute of Technology</li> <li>- Bachelor of Science (Second Class Honors), Chulalongkorn University</li> <li>- Certificate of Director Accreditation Program (DAP) Class 139/2017 Thai Institute of Directors (IOD) B.E. 2560 (2017)</li> <li>- February 2000: Certificate of "Asia-Pacific Sustainable Energy Planning Workshop", U.S. Department of Energy, Denver, Colorado, U.S.A.</li> <li>- October 1997: Certificate of "Samsung Senior Management Course", Samsung Human Resource Development Center, Yogin, Korea</li> <li>- November 1988: Certificate of "Management Problem Solving and Decision Making Programme", Kepner-Tregoe International, Princeton, New Jersey, U.S.A.</li> <li>- April 1986: Certificate of "Evaluating and Negotiating Construction Contract Claims Course", International Contract and Consulting Services, U.S.A.</li> </ul> |  |
| Honorary Awards  | <ul style="list-style-type: none"> <li>- 1978-1979: King Scholarship for graduate study</li> <li>- 1970-1973: Undergraduate Scholarship from Wat Nual Noradit Alumni Association</li> <li>- 1971: Outstanding achievement scholarship for undergraduate study from Chulalongkorn University</li> <li>- 1964: King Scholarship for outstanding performance at secondary school level</li> <li>- 1962-1973: Annual Scholarships from the Ministry of Education for continuous outstanding academic achievement over a period of 12 years</li> </ul>  |  |
| Shareholding in the Company                            | 0.09 %   |  |
| Familial relationship between directors and executives | - None -   |  |

| Experience | Timeline     | Experience   |
|------------|--------------|--|
|            | 2017-present | Independent Director / Chairman of Nomination and Remuneration Committee, Right Tunnelling Public Company Limited  |
|            | 2017-present | Independent Director and Auditing Director, BJC Heavy Industries Public Company Limited  |
|            | 2006-2015    | Italian-Thai Development Public Company Limited<br>- Project Director of Ahmedabad Airport, India Construction of New Terminal Building<br>- Project Advisor of Commuter Train System (Red Line) (Bang Sue-Rang Sit)<br>- Project Manager of Gas Separation Plant (GSP) for PTT Unit 6 |
|            | 2001-2006    | Deputy Project Director of Passenger Terminal Complex Project Suvarnabhumi Airport, Italian Thai Development Public Company Limited  |

| 4. Name - Surname                                      | Mr. Thanapat Pupat  |  |
|--|---|--|
| Position   | Auditing Director / Nomination and Remuneration Director / Independent Director                         |  |
| Education / Training                                   | 62  |  |
| Education / Training                                   | - Master of Law, New York University School of Law, USA   |  |
|  | - Barrister-at-Law, Institute of Legal Education (1983)   |  |
|  | - Bachelor of Laws, Faculty of Law, Chulalongkorn University (1982)                                     |  |
|  | - Certificate of Director Accreditation Program (DAP) Class 139/2017, Thai Institute of Directors (IOD) |  |
| Shareholding in the Company                            | - None -  |  |
| Familial relationship between directors and executives | - None -  |  |
| Experience   | Timeline  | Experience   |
|  | 2017-present  | Independent Director / Auditing Director / Nomination and Remuneration Director, Right Tunnelling Public Company Limited |
|  | 2007-present  | Barrister / Legal Advisor, Magnus and Partners Co., Ltd.   |
|  | 1989-2007   | Partner, International Legal Counsellors Thailand Limited  |
|  | 1987-1989   | Barrister-at-law, David P. Christianson Law Corp. Los Angeles, California, The United States of America, U.S.A.          |

|  |   |   |
|--|---|---|
| 5. Name - Surname                                      | Mr. Chaiwut Jumnongsutasathien  |   |
| Position   | Auditing Director / Independent Director  |   |
| Age  | 45  |   |
| Education / Training                                   | - Master of Business Administration, Kasetsart University   |   |
|  | - Bachelor of Accountancy, Thammasart University  |   |
|  | - Training Program - Engagement Quality Control Review (EQCR) and Monitoring, Class 1/2018, September 23, 2018        |   |
|  | - Certificate of Director Accreditation Program (DAP) Class 161/2019 (2004) Thai Institute of Directors (IOD). (2017) |   |
| Shareholding in the Company                            | - None -  |   |
| Familial relationship between directors and executives | - None -  |   |
| Experience   | Timeline  | Experience  |
|  | 2019-present  | Auditing Director / Independent Director, Right Tunnelling Public Company Limited   |
|  | 2019-present  | Auditing Director / Independent Director, NSL Food Public Company Limited           |
|  | 2018-present  | Audit Partner, AST Master Co., Ltd.   |
|  | 2016-present  | Director, SM Lertpipat Co., Ltd.  |
|  | 2012-present  | Sub-Committee for the Ethics Code Setting, the Federation of Accounting Professions |
|  | 1999-2017   | Audit Director, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.                     |

## Non-executive Director

|  |  |   |
|--|--|---|
| 6. Name - Surname                                      | Mr. Suraphong Iamchula   |   |
| Position   | Director / Chairman of Corporate Governance and Risk Management Committee  |   |
| Age  | 69   |   |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Bachelor of Science in Geology, Chiang Mai University</li> <li>- Certificate of Director Certification Program (DCP) Class 116/2009, Thai Institute of Directors (IOD) (2009)</li> <li>- Certificate for Senior Executive Program (SEP) 11, Sasin Graduate Institute of Business, Administration of Chulalongkorn University</li> </ul> |   |
| Shareholding in the Company                            | 1.73 %   |   |
| Familial relationship between directors and executives | - None -   |   |
| Experience   | Timeline   | Experience  |
|  | 2007-present   | Director, Right Tunnelling Public Company Limited   |
|  | 2015-present   | Chairman of Corporate Governance and Risk Management Committee, Right Tunnelling Public Company Limited |
|  | 2013-2015  | Advisor, PTT Exploration and Production Public Company Limited  |
|  | 2010-2013  | Deputy Managing Director (Domestic), PTT Exploration and Production Public Company Limited              |
|  | 2010-2013  | Deputy Managing Director (Operational Support), PTT Exploration and Production Public Company Limited   |

|  |  |  |
|--|--|--|
| 7. Name - Surname                                      | Dr. Krayim Santrakul   |  |
| Position   | Director   |  |
| Age  | 72   |  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Doctor of Philosophy in Electrical Engineering, University of Oklahoma, Norman, Oklahoma, USA.</li> <li>- Master of Arts (Physics), Kent State University, Kent, Ohio, USA.</li> <li>- Master of Arts (Nuclear Physics), Faculty of Science, Chiang Mai University</li> <li>- Bachelor of Arts (Physics), Faculty of Science, Chiang Mai University</li> <li>- Diploma, National Defence College, The Joint State - Private Sector Course (NDC 6) B.E. 2537 (1994)</li> <li>- Certificate of Modern Management, National Defence College of Thailand Class 1 B.E. 2544 (2001)</li> <li>- Politics and Government in Democracy for Executives, Class 11, King Prajadiphok's Institute</li> <li>- Certificate of Advance Security Management Program 2010, The Association of National Defence College of Thailand.</li> <li>- Certificate of Director Accreditation Program (DAP) Class 139/2560 (2017), Thai Institute of Directors (IOD) B.E. 2560 (2017)</li> </ul> |  |
| Insignia   | <ul style="list-style-type: none"> <li>- Knight Commander (Second Class) of the Most Exalted Order of the White Elephant</li> <li>- Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn</li> <li>- The Silver Medal (Seventh Class) of the Direkgunabhorn.</li> </ul>   |  |
| Shareholding in the Company                            | 1.50 %   |  |
| Familial relationship between directors and executives | - None -   |  |

| Experience | Timeline     | Experience   |
|------------|--------------|--|
|            | 2000-present | Director, Right Tunnelling Public Company Limited      |
|            | 2012-present | Managing Director, Technology Plus Co., Ltd.           |
|            | 1986-present | Manager Partner, Tiger Engineering Limited Partnership |

|  |                      |   |
|--|----------------------|---|
| 8. Name - Surname                                      | Mr. Natthapong Poome |   |
| Position   | Director             |   |
| Age  | 63                   |   |
| Education / Training                                   | -                    | Bachelor Degree from Faculty of Commerce and Accountancy, Thammasart University                                       |
|  | -                    | Certified Public Accountant, registration number 3325   |
|  | -                    | Certificate of Director Accreditation Program (DAP) Class 131/2016 Thai Institute of Directors (IOD) B.E. 2559 (2017) |
|  | -                    |   |
| Shareholding in the Company                            | 0.64 %               |   |
| Familial relationship between directors and executives | - None -             |   |
| Experience   | Timeline             | Experience  |
|  | 2000-present         | Director, Right Tunnelling Public Company Limited   |
|  | 2005-present         | Managing Director, Nattapong Auditing & Consultants Company Limited   |
|  | 1980-present         | Certified Public Accountant   |
|  | 2018-2020            | Partner Manager, P&N Boutique Limited Partnership   |
|  | 2017-2020            | Partner Manager, Chanderma Limited Partnership  |

## Executive Directors

|  |   |  |
|--|---|--|
| 9. Name - Surname                                      | Mr. Chawalit Tanomtin   |  |
| Position   | Deputy Chairman of the Board of Directors / Chairman of the Executive Committee / Corporate Governance and Risk Management Director / Nomination and Remuneration Director / Director / Chief Executive Officer |  |
| Age  | 71  |  |
| Education / Training                                   | - Master of Science in Geology, Faculty of Sciences, Asian Institute of Technology  |  |
|  | - Bachelor of Science in Geology, Faculty of Sciences, Chiang Mai University  |  |
|  | - Certificate of Director Certification Program (DCP) Class 210/2015, Thai Institute of Directors (IOD) (2015)  |  |
|  | - Certificate of Ethical Leadership Program (ELP), Thai Institute of Directors (IOD) (2016)   |  |
|  | - Certificate of Nitro Nobel Blasting Advanced Rock Blasting Technique Training Techniques Department   |  |
|  | - Certificate of Corporate Finance Batch 3/61 the Federation of Accounting Professions  |  |
| Shareholding in the Company                            | 16.29%  |  |
| Familial relationship between directors and executives | - None -  |  |
| Experience   | Timeline  | Experience   |
|  | 2020-present  | Deputy Chairman of the Board of Directors / Chief Executive Officer, Right Tunnelling Public Company Limited                                 |
|  | 2015-present  | Corporate Governance and Risk Management Committee / Nomination and Remuneration Director, Right Tunnelling Public Company Limited           |
|  | 2000-present  | Director / Chairman of the Executive Committee, Right Tunnelling Public Company Limited  |
|  | 2000-2020   | Managing Director, Right Tunnelling Public Company Limited   |
|  | 1988-2000   | Managing Director, International Blaster Co., Ltd.   |
|  | 1981-1987   | Field Engineer, Minipe Right Bank Transbasin Canal Mahavelli Project, Srilanka and Cheow Lan Dam Construction Project, Vianini Lavori S.p.A. |
|  | 1979-1981   | Field Engineer, C.C.C. Fondisa Far East S.p.A. Thailand Branch   |
|  | 1974-1977   | Mining Production Supervisor, P&S Barite Mining Co., Ltd.  |

|  |   |  |
|--|---|--|
| 10. Name - Surname                                     | Mr. Surasak Seekhiew  |  |
| Position   | Executive Director / Corporate Governance and Risk Management Director / Director / Managing Director   |  |
| Age  | 58  |  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Bachelor of Science in Geology, Chiang Mai University</li> <li>- Certificate of Director Certification Program (DCP) Class 210/2015, Thai Institute of Directors (IOD) B.E. 2558 (2017)</li> <li>- Certificate of Executive Mini MBA, Nida Business School</li> <li>- Certificate of Risk Management Program for Corporate Leaders (3/2016), Thai Institute of Directors (IOD) B.E. 2559 (2017)</li> </ul> |  |
| Shareholding in the Company                            | 2.18 %  |  |
| Familial relationship between directors and executives | - None -  |  |
| Experience   | Timeline  | Experience   |
|  | 2020-present  | Managing Director, Right Tunnelling Public Company Limited                 |
|  | 2000-present  | Executive Director/Director, Right Tunnelling Public Company Limited       |
|  | 2013-2020   | Deputy Managing Director for Operation 1, Right Tunnelling Company Limited |
|  | 2010-2012   | Assistant to Managing Director, Right Tunnelling Company Limited           |
|  | 1988-2000   | Project Manager, International Blaster Co., Ltd.                           |

|  |   |  |
|--|---|--|
| 11. Name - Surname                                     | Mr. Chaiya Wonglappanich  |  |
| Position   | Corporate Governance and Risk Management Director / Executive Director / Director / Deputy Manager Director for Management and Finance  |  |
| Age  | 53  |  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Bachelor of Science in Geology, Chiang Mai University</li> <li>- Certificate of Chief Financial Officer Certification Program Class 18/2014 on the 20th September 2014, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>- Certificate of Director Certification Program (DCP) Class 211/2015, Thai Institute of Directors (IOD)</li> <li>- Certificate of Risk Management Program for Corporate Leaders 3/1016, Thai Institute of Directors (IOD)</li> <li>- Certificate of Financial Statements for Directors (FSD) Class 32/2017, Thai Institute of Directors (IOD) 2560 (2017)</li> <li>- Certificate of Corporate Finance, Batch 3/61 (6 hours/ December 6, 2018), the Federation of Accounting Professions.</li> <li>- Certificate of FinTech and Blockchain for Digital Transformation 9 (August 29-30, 2020), National Institute of Development Administration</li> <li>- TLCA CFO CPD 3/2021 "How to Manage the Company's Finance &amp; Accounting and Communicate with Stakeholders during COVID-19 Crisis" (2021)</li> <li>- TLCA CFO CPD 4/2021 "How finance leaders are adapting within the new normal" (2021)</li> <li>- TLCA CFO CPD 5/2021 "Fraud &amp; Cyber Security Risk"</li> </ul> |  |
| Shareholding in the Company                            | 1.94 %  |  |
| Familial relationship between directors and executives | - None -  |  |

| Experience | Timeline     | Experience   |
|------------|--------------|--|
|            | 2000-present | Executive Director/Director, Right Tunnelling Public Company Limited                         |
|            | 2015-present | Corporate Governance and Risk Management Director, Right Tunnelling Public Company Limited   |
|            | 2013-present | Deputy Managing Director for Management and Finance, Right Tunnelling Public Company Limited |
|            | 2000-2013    | Assistant to Managing Director for Management, Right Tunnelling Company Limited              |
|            | 1996-2000    | Assistant to Deputy Managing Director International Blaster Co., Ltd.                        |

| 12. Name - Surname                                     | Mr. Teerayut Chusilp  |  |
|--|---|--|
| Position   | Director / Nomination and Remuneration Director / Deputy Managing Director for Organization & Legal                     |  |
| Age  | 62  |  |
| Education / Training                                   | - Bachelor of Laws, Faculty of Law, Chulalongkorn University  |  |
|  | - Barrister-at-Law, Institute of Legal Education  |  |
|  | - Certificate of Director Certification Program (DCP) Class 211/2015 Thai Institute of Directors (IOD) B.E. 2558 (2017) |  |
|  | - Certificate of Ethical Leadership Program (ELP), Thai Institute of Directors (IOD) 2559 (2017)                        |  |
| Shareholding in the Company                            | 4.28%   |  |
| Familial relationship between directors and executives | - None -  |  |
| Experience   | Timeline  | Experience   |
|  | 2000-present  | Director, Right Tunnelling Company Limited                             |
|  | 2015-present  | Nomination and Compensation Director, Right Tunnelling Company Limited |
|  | 2010-present  | Executive Director, Right Tunnelling Company Limited                   |
|  | 2010-2012   | Human Resources and Legal Manager, Right Tunnelling Company Limited    |

## Members of Executive Committee

|  |  |   |
|--|--|---|
| 13. Name - Surname                                     | Mr. Wiwat Nualnok  |   |
| Position   | Executive Director / Deputy Managing Director for Engineering                                  |   |
| Age  | 61   |   |
| Education / Training                                   | - Bachelor of Science in Civil Engineering, Faculty of Science, Prince of Songkhla University. |   |
| Shareholding in the Company                            | 0.13 %   |   |
| Familial relationship between directors and executives | - None -   |   |
| Experience   | Timeline   | Experience  |
|  | 2015-present   | Executive Director, Right Tunnelling Company Limited                                |
|  | 2013-present   | Deputy Managing Director for Engineering, Right Tunnelling Company Limited          |
|  | 2008-2013  | Assistant to Managing Director for Engineering, Right Tunnelling Company Limited    |
|  | 2017   | Engineering Manager, Right Tunnelling Company Limited                               |
|  | 2000-2008  | Senior Engineer, Right Tunnelling Company Limited                                   |
|  | 1999-2000  | Senior Engineer and Head of Engineering Department, International Blaster Co., Ltd. |

|  |  |  |
|--|--|--|
| 14. Name - Surname                                     | Mr. Koson Kongdaeng  |  |
| Position   | Executive Director / Deputy Managing Director for Operation 1  |  |
| Age  | 58   |  |
| Education / Training                                   | - Master of Science in Geology, Faculty of Science, Asian Institute of Technology                      |  |
|  | - Bachelor of Science in Geology, Faculty of Science, Chiang Mai University                            |  |
|  | - Certificate of Director Accreditation Program (DAP) Class 161/2019 Thai Institute of Directors (IOD) |  |
|  | - Certificate of Advance Course in Rock Blasting Technique, Nitro Nobel, Sweden, 1992                  |  |
| Shareholding in the Company                            | 1.02 %   |  |
| Familial relationship between directors and executives | - None -   |  |
| Experience   | Timeline   | Experience   |
|  | 2019-present   | Executive Director, Right Tunnelling Company Limited                     |
|  | 2018-present   | Deputy Managing Director for Operation, Right Tunnelling Company Limited |
|  | 2001-present   | Project Manager Right Tunnelling Company Limited                         |

## Members of Management Team

|  |   |  |
|--|---|--|
| 15. Name - Surname                                     | Mrs. Mechaya Kaewduangdee   |  |
| Position   | Deputy Managing Director for Business Development   |  |
| Age  | 49  |  |
| Shareholding in the Company                            | - Master of Business Administration, Management, Ramkhamhaeng University  |  |
|  | - Bachelor of Science in Engineering, Chiang Mai University   |  |
|  | - Certificate of Business and Economy Analyst Program, Batch 53, Faculty of Economics, Chulalongkorn University, B.E. 2556 (2013) |  |
|  | - Certificate of How to Develop a Risk Management Plan-HRP, Batch 9/2016, Thai Institute of Directors (IOD)                       |  |
|  | - Certificate of Company Reporting Program (CRP), Class 18/2017, Thai Institute of Directors (IOD) B.E. 2017                      |  |
| Shareholding in the Company                            | 0.19 %  |  |
| Familial relationship between directors and executives | - None -  |  |
| Experience   | Timeline  | Experience   |
|  | 2021-present  | Deputy Managing Director for Business Development, Right Tunnelling Public Company Limited       |
|  | 2018-2020   | Assistant to Managing Director for Business Development, Right Tunnelling Public Company Limited |
|  | 2013-2018   | Business Development Manager Right Tunnelling Company Limited                                    |
|  | 2011-2013   | Deputy Engineering Manager, Right Tunnelling Company Limited                                     |
|  | 2003-2011   | Cost Controller (Head Office) Right Tunnelling Company Limited                                   |
|  | 2000-2003   | Field Geologist Right Tunnelling Company Limited   |

|  |   |   |
|--|---|---|
| 16. Name - Surname                                     | Mr. Charlie Pungpanichkul   |   |
| Position   | Assistant to Managing Director for Operation 2                          |   |
| Age  | 61  |   |
| Education / Training                                   | - Master of Engineering in Environmental Engineer, Kasetsart University |   |
|  | - Bachelor of Science in Geology, Chiang Mai University                 |   |
| Shareholding in the Company                            | 0.25 %  |   |
| Familial relationship between directors and executives | - None -  |   |
| Experience   | Timeline  | Experience  |
|  | 2020-present  | Assistant to Managing Director for Operation 2, Right Tunnelling Public Company Limited |
|  | 2018-2020   | Assistant to Managing Director for Operation, Right Tunnelling Public Company Limited   |
|  | 2010-2018   | Project Manager, Right Tunnelling Public Company Limited                                |
|  | 2008-2010   | Deputy Project Director, Right Tunnelling Company Limited                               |
|  | 2013  | Geologist, Right Tunnelling Company Limited   |

|  |  |  |
|--|--|--|
| 17. Name - Surname                                     | Mr. Panat Kungsuwan  |  |
| Position   | Assistant to Managing Director / Engineering Manager (Acting)  |  |
| Age  | 52   |  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Master of Engineering in Civil Engineering, Kasesart University (2001)</li> <li>- Bachelor of Science in Civil Engineering, Chiang Mai University (1993)</li> <li>- Registered member of the Council of Engineers, the license for engineer professional practices in Fellow Mechanical Engineer CE 7882 (Por Gor)</li> </ul> |  |
| Shareholding in the Company                            | 0.10%  |  |
| Familial relationship between directors and executives | - None -   |  |
| Experience   | Timeline   | Experience   |
|  | 2020-present   | Assistant to Managing Director for Engineering and Engineering Manager (Acting), Right Tunnelling Public Company Limited |
|  | 2018-2020  | Assistant to Managing Director for Engineering and Engineering Manager (Acting), Right Tunnelling Public Company Limited |
|  | 2008-2018  | Engineering Manager, Right Tunnelling Company Limited  |
|  | 2005-2008  | Senior Engineer, Right Tunnelling Company Limited  |

|  |   |   |
|--|---|---|
| 18. Name - Surname                                     | Mr. Nawin Pongkaew  |   |
| Position   | Deputy Managing Director for Operation 2  |   |
| Age  | 53  |   |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Bachelor of Engineering in Mechanics, Chiang Mai University</li> <li>- Registered member of the Council of Engineers, the license for engineer professional practices in Fellow Mechanical Engineer CE 9129 (Por Gor)</li> </ul> |   |
| Shareholding in the Company                            | 0.29 %  |   |
| Familial relationship between directors and executives | - None -  |   |
| Experience   | Timeline  | Experience  |
|  | 2021-present  | Deputy Managing Director for Operation 2, Right Tunnelling Public Company Limited                       |
|  | 2020-2021   | Assistant to Managing Director for Operation 1, Right Tunnelling Public Company Limited                 |
|  | 2010-2020   | Assistant to Managing Director for Mechanics / Project Manager, Right Tunnelling Public Company Limited |
|  | 2006-2010   | Mechanical Engineering Manager, Right Tunnelling Company Limited  |
|  | 2001-2005   | Mechanical Engineer, Thai Nichimustsu Construction Co., Ltd.  |
|  | 1995-2001   | Mechanical Engineer, International Blaster Co., Ltd.  |
|  | 1993-1995   | Mechanical Engineer, Samchai Industrial Construction Co., Ltd.  |

|  |   |   |
|--|---|---|
| 19. Name - Surname                                     | Mr. Poramate Mashima  |   |
| Position   | Accounting Manager  |   |
| Age  | 51  |   |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Master of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>- Master of Business Administration in Accountancy, Department of Accounting, Kasetsart University</li> <li>- Bachelor of Business Administration in Accountancy, Faculty of Business Administration, Ramkhamhaeng University</li> <li>- Managerial Accounting for Strategic Planning and Decision Making the Federation of Accounting Professions (2021)</li> </ul> |   |
| Shareholding in the Company                            | 0.08 %  |   |
| Familial relationship between directors and executives | - None -  |   |
| Experience   | Timeline  | Experience  |
|  | 2011-present  | Accounting Manager, Right Tunnelling Company Limited                |
|  | 2004-2010   | Head of Internal Audit, GMM Grammy Public Company Limited           |
|  | 1994-2004   | Senior Internal Audit, True Corporation Public Company Limited      |
|  | 1993-1994   | Internal Audit (International), Bangkok Bank Public Company Limited |

## Company Secretary

|  |   |  |
|--|---|--|
| 20. Name - Surname                                     | Mrs. Pornthip Kongsangbhat  |  |
| Position   | Company Secretary   |  |
| Age  | 58  |  |
| Education / Training                                   | <ul style="list-style-type: none"> <li>- Bachelor of Business Administration in Banking and Finance, Faculty of Business Management, Sukhothai Thammathirat Open University</li> <li>- Certificate of Company Secretary Program (CSP), Class 66/2015, Thai Institute of Directors (IOD) (2015)</li> <li>- Certificate of Effective Minutes Taking (EMT), Class 33/2015, Thai Institute of Directors (IOD) (2015)</li> <li>- Certificate of Board Reporting Program (BRP), Class 18/2015, Thai Institute of Directors (IOD) (2015)</li> <li>- Certificate of Company Reporting Program (CRP), Class 13/2015, Thai Institute of Directors (IOD) (2015)</li> </ul> |  |
| Shareholding in the Company                            | 0.16 %  |  |
| Familial relationship between directors and executives | - None -  |  |
| Experience   | Timeline  | Experience   |
|  | 2015-present  | Company Secretary, Right Tunnelling Public Company Limited   |
|  | 2009-2015   | Secretary to Chairman of the Executive Committee / Managing Director, Right Tunnelling Company Limited |

## Appendix 2: Details of Subsidiaries' Directors

| Directors |              |               | Right Tunnelling Myanmar Company Limited (RTM) |
|-----------|--------------|---------------|--|
| 1.        | Mr. Chawalit | Tanomtin      | X  |
| 2.        | Mr. Teerayut | Chusilp       | X  |
| 3.        | Mr. Chaiya   | Wonglappanich | X  |

Remark: X means Directors and Authorized Directors

## Appendix 3: Head of Internal Audit

IVL Auditing Co., Ltd. is the Company's outsourced internal auditor. The profile is as follows:

| Number | Name-Surname / Position  | Age | Education / Training   | Shareholding of the Company (%) | Familial relationship between Director and Executive | Experience      |                                |   |  |
|--------|--|-----|--|---------------------------------|--|-----------------|--------------------------------|---|--|
|        |  |     |  |                                 |  | Timeline (B.E.) | Position                       | Name of The Company                             | Type of Business                         |
| 1.     | Ms. Wandee Sibunruang<br>Position: Senior Partner<br>IVL Auditing Co., Ltd.<br>(Outsource) | 54  | Bachelor of Business Administration,<br>Faculty of Commerce and Accountancy,<br>Chulalongkorn University<br>Certified Public Accountant, registration number 3829<br>Certificate of Director Accreditation Program (DAP)<br>Certificate of Audit Committee Program (ACP) | -                               | -  | 1994 - present  | Senior Partner                 | IVL Auditing Co., Ltd.                          | Accounting and Internal Audit Service    |
|        |  |     |  |                                 |  | 1990 - 1994     | Accounting and Finance Manager | Mandom Corporation (Thailand) Company Limited   | Production and Distribution of Cosmetics |
|        |  |     |  |                                 |  | 1986 - 1990     | Audit Senior                   | Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. | Auditing Service                         |

## Appendix 4 Review of Business Assets

### 4.1 Figures represents the Company's Assets for business operation as of December 31, 2021

The essential properties of Right Tunnelling Public Company Limited used for business operation as of December 31, 2021 are as follows:

| Types of Property                              | Characteristics of Property | Types of Ownership | Obligation  | Net Book Value As of December 31, 2021 (Million Baht) | Utilization of Property                         |
|--|-----------------------------|--------------------|---|---|---|
| 1. Lands                                       |                             | Owned              |   | 78.53   | For Double-track Railway Construction projects. |
| 2. Property, Plant and Equipment               |                             | Owned              | Burdened mortgage at the amount of 94.05 Million Baht | 55.11   | For business operation                          |
| 3. Machinery and Equipment                     |                             | Owned              | Burdened mortgage at the amount of 28 Million         | 172.17  | For business operation                          |
| 4. Tools and Equipment                         |                             | Owned              | None  | 27.57   | For business operation                          |
| 5. Decorations and Officer Supplies            |                             | Owned              | None  | 14.21   | For business operation                          |
| 6. Vehicles                                    |                             | Owned              | None  | 10.97   | For business operation                          |
| 7. Assets during installation and construction |                             | Owned              | None  | 0.79  | For business operation                          |
| 8. Right of Utilization of Assets              |                             | Owned              | None  | 425.15  | For business operation                          |
| <b>Total</b>                                   |                             |                    |   | <b>784.50</b>   |   |

## 4.2 Intangible Assets for Business Operation

As of December 31, 2021, the Company's intangible assets: Computer Software were determined net book value at the amount of 17.77 Million Baht.

## 4.3 Investment in Subsidiary Companies and Associated Companies

As of December 31, 2021, the Company has the investment value in the Subsidiaries at the total amount of USD 150,000. The details are as follows:

| The Company                              | Registered Capital (USD) | Paid-up Capital (USD) | Investment Proportion (%) | Investment Value (USD) |
|--|--------------------------|-----------------------|---------------------------|------------------------|
| Right Tunnelling Myanmar Company Limited | 150,000                  | 150,000               | 99.00                     | 150,000                |





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